

SURFACE LEASE AND GRANT

I/WE, GERALDINE BEATY SHEPHERD in the STATE OF CALIFORNIA,

(hereinafter called the "Grantor") being the registered owners, (or entitled to become registered as owners under an agreement for sale or unregistered transfer or otherwise), of an estate in fee simple, subject, however, to the exceptions, conditions, encumbrances, liens and interests contained in or noted upon the existing Certificate of Title of and in that certain parcel or tract of land situate, lying and being in the Province of British Columbia and described as follows:

OF AND IN:

DISTRICT LOT 2485 PEACE RIVER DISTRICT

AS MORE PARTICULARLY DESCRIBED AND SET FORTH IN TITLE NUMBER: CA2908804
(hereinafter referred to as "the said lands")

DO HEREBY GRANT, DEMISE AND LEASE unto CHINOOK ENERGY (2010) INC., with an office at the City of Calgary, in the Province of Alberta, (hereinafter called the "Grantee") all that part or portion of the said lands shown in red on the sketch or plan hereto annexed (hereinafter called the "demised premises").

TO BE HELD by the Grantee as tenant for the term of Three (3) years from the date hereof subject to renewal under clause 3, renewable as hereinafter provided, for the purpose of a work camp at the stipulated Fixed Rate of:

_____ (\$ _____) Dollars U.S. total
sum, for the first year of the term hereby granted,

And at a Yearly Rental of:

_____ (\$ _____) Dollars U.S. for
demised premises retained by the Grantee for the purposes hereinbefore mentioned for each subsequent year payable annually in advance on the anniversary date hereof in each and every subsequent year during the term of this Lease and any renewals thereof, which sums include, among other things, compensation in full for damage, waste or destruction to the said lands, severance of the demised premises and inconvenience and disturbance to the Grantor.

AND the Grantor doth also hereby give and grant unto the Grantee the right, liberty and privilege in, upon, under and across the demised premises to lay down, construct, maintain, inspect, remove, replace, reconstruct and repair a work camp, and all structures and equipment necessary or incidental thereto as well as all rights of ingress and egress to, on and over the said lands for use in connection with all the operations whatsoever of the Grantee.

In consideration of the sum of One Dollar (\$1.00), (receipt of which is hereby acknowledged) paid to me, if the demised premises covered by this Surface Lease and Grant are not entered upon, except for survey purposes, within 365 days of the date of this Surface Lease and Grant, the Grantee shall pay to the Grantor the sum of :

_____ (\$ _____) Dollars U.S. for the right to survey and all
other inconvenience and the said Surface Lease and Grant shall terminate. However, should the Grantee enter the demised premises or should the Grantee make payment of the full initial consideration in the

amount of: _____ (\$ _____) Dollars U.S., as
previously set out, within the 365 day period, then the Grantee shall have full right on the demised premises pursuant to the terms of the said Surface Lease and Grant.

THE GRANTOR HEREBY COVENANTS AND AGREES TO AND WITH THE GRANTEE:

1. Taxes Paid by Grantor

Promptly to pay and satisfy all taxes, rates and assessments that may be assessed or levied against the said lands during the continuance of this Lease or any renewals thereof, save where such are to be paid by the Lessee. If the Grantor is a non-resident of Canada, the Grantor agrees that the Company may deduct income, withholding or other taxes from any payment to the Grantor in compliance with the provisions of the *Income Tax Act* (Canada), tax agreements or treaties or other statutes of Canada or its Provinces as are from time to time enacted and amended, whereupon the timely remittance by the Grantee of the balance of the payment to the Grantor shall be deemed to constitute full performance by the Company in respect of such payment.

2. Quiet Enjoyment

That the Grantor has good title to the said lands as hereinbefore set forth, has good right and full power to grant and lease the said lands, rights and privileges in manner aforesaid, and that the Grantee, upon observing and performing the covenants and conditions on the Grantee's part herein contained, shall and may peaceably possess and enjoy the demised premises and the rights and privileges hereby granted during the said term and any extension thereof without any interruption or disturbance from or by the Grantor or any other person whomsoever.

3. Renewal

That if the Lessee is not in default in respect of any of the covenants and conditions contained in this Lease at the date of expiration of the term of Three (3) years hereinbefore mentioned, then this Surface Lease and Grant shall be renewed upon the mutual agreement of the Grantee and the Grantor and the term extended for a further period of Three (3) years at a rental calculated from time to time as herein provided for the term subsequent to the first year thereof. Such extended term shall be subject to all of the provisions hereof, including this provision for renewal.

4. Payment

That any payment required to be made by the Grantee hereunder shall be made by Wire Transfer or Automated Clearing House (ACH), to the bank account so directed by the Grantor, information for which will be supplied by the Grantor. All payments are in U.S. dollars. Late payment by Grantee will be assessed a \$50 per late day and due with late payment.

THE GRANTEE HEREBY COVENANTS AND AGREES TO AND WITH THE GRANTOR:

5. Payment of Rentals

To pay the rentals hereinbefore reserved in each and every year in advance during the continuance of this Lease or any renewal thereof.

6. Fencing

During the continuance of this Lease, to erect and put upon the boundaries of the demised premises a good and substantial fence if so requested by the Grantor and to replace all fences which the Grantee may have removed for its purposes and repair all fences which it may have damaged, and, if and when so requested by the Grantor, to provide proper livestock guards at any point of entry upon the said lands used by it and, upon the use thereof, to close all gates.

7. Taxes Payable by Grantee

To pay all taxes, rates and assessments that may be assessed or levied in respect of any and all machinery, equipment, structures and works placed by the Grantee in, on, over or under the said lands.

8. Abandonment and Restoration

Upon the abandonment of the demised premises all excavations in connection therewith shall be restored, all in compliance with regulations of the Government of the Province of British Columbia in that regard, and upon the discontinuance of the use of any portion or portions of the said lands, to restore such portion or portions to the same condition so far as it may be reasonably practicable to do so as that existing immediately prior to the entry thereon and the use thereof by the Grantee.

9. Compensation for Damages

To carry on its operations in such a manner as shall cause as little permanent injury as is practicable to the demised lands and to pay compensation for damage done by it to growing crops, fences and buildings or other improvements of the Grantor upon the said lands;

THE GRANTOR AND GRANTEE DO HEREBY MUTUALLY COVENANT AND AGREE EACH WITH THE OTHER AS FOLLOWS:

10. Default

Notwithstanding anything herein contained to the contrary, the Grantee shall not be in default in the performance of any of its covenants or obligations under this Surface Lease and Grant, including the payment of sums, unless and until the Grantor has notified the Grantee of such default and the Grantee has failed to commence action to remedy the same within 30 days of the receipt of such notice. Notice by the Grantee to the Grantor of its intent to remedy the default shall be deemed to be commencing action to remedy the default.

11. Surrender

The Grantee shall have the right at any time on written notice to that effect to the Grantor, to cease the use and occupation of the demised premises, and in the event of the Grantee so doing this Surface Lease and Grant shall be terminated, but there shall be no refund to the Grantee of any rental which may have been paid in advance and the Grantee shall have the right within the said period of notice to remove or cause to be removed from the said lands all buildings, structures, fixtures, material and equipment of whatsoever nature or kind, which it may have placed on or in the said lands, leaving the demised premises in accordance with clause 8.

12. Assignment by Grantee

The Grantee may delegate, assign or convey to other persons or corporations, all or any of the powers, rights and interests obtained by or conferred upon the Grantee hereunder and may enter into all agreements, contracts and writings and do all necessary acts and things to give effect to the provisions of this clause. The Grantee shall notify the Grantor of any assignment or conveyance.

13. Review of Rental

Notwithstanding anything contained in this lease, upon the request of either party to this Surface Lease and Grant, the amount of rent payable in respect of the demised premises shall be subject to review at the end of three (3) years from the date hereof and at the end of each succeeding three (3) year period, should the Surface Lease and Grant be mutually renewed. Such request shall be in writing and given to the other party during the last ninety (90) days prior to the commencement of the period in respect of which the review of rent is sought.

14. Notices

All notices to be given hereunder may be given by letter, postage prepaid, addressed to the Grantee at:
Suite 1000, 517- 10th Avenue SW Calgary, AB T2R 0A8
ATTENTION: Michael Anderson

and to the Grantor at:
P.O. Box 30
Santa Ynez, California
93460, USA

or such other address as the Grantor and the Grantee may respectively from time to time appoint in writing, and any such notice shall be deemed to be given to and received by the Addressee seven (7) days after the mailing thereof.

THIS LEASE shall enure to the benefit of and be binding upon the Parties hereto and each of them, their respective heirs, executors, administrators, successors and assigns.

THE GRANTEE does hereby accept this Surface Lease and Grant of the above described land, to be held by it as tenant, and subject to the conditions, restrictions and covenants above set forth.

Any additional terms or conditions as may be agreed to by the Lessor and the Lessee shall be attached as Schedule 'A' and shall form part of the Surface Lease and Grant.

IN WITNESS WHEREOF the parties have executed this agreement this 3rd day of November 2016.
See Attached

SIGNED in the presence of:

WITNESS: Michael Anderson)
)
)
)

Geraldine Beaty Shepherd

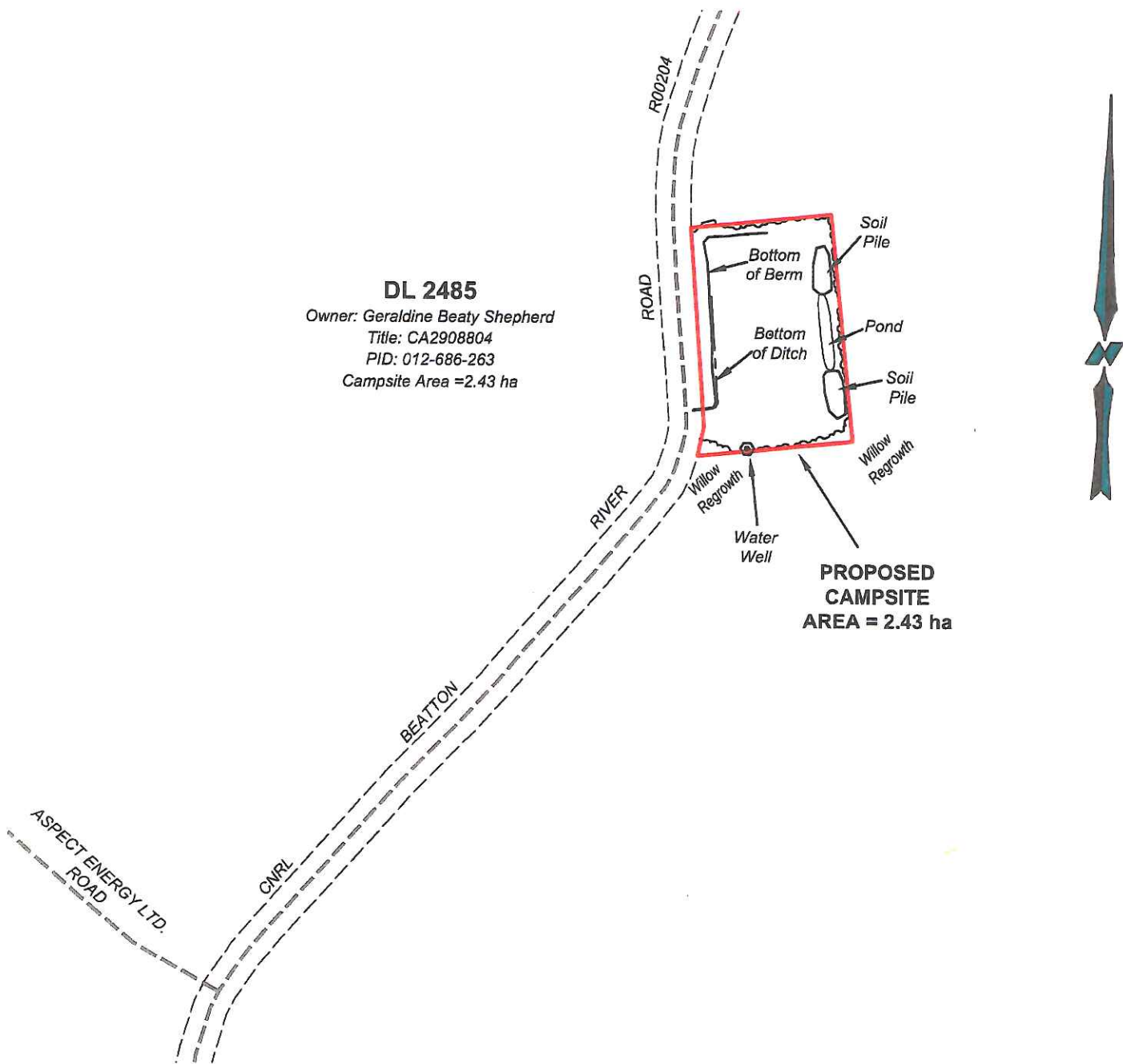
CHINOOK ENERGY INC.

Per: Michael Anderson

CHINOOK ENERGY (2010) INC.

INDIVIDUAL OWNERSHIP PLAN

SHOWING
PROPOSED CAMPSITE
WITHIN
DISTRICT LOT 2485
PEACE RIVER DISTRICT



OWNER: GERALDINE BEATY SHEPHERD

TITLE: CA2908804

PID: 012-686-263

CAMPSITE AREA 2.43 ha 6.00 Ac

Certified Correct this 24th day of October, 2016.

Scott Pengelly
S.D. PENGELLY

BCLS 779



McElhanney Geomatics
Professional Land Surveying Ltd.
8808 - 72 Street Fort St. John, BC
Phone: (250)787-0356, Fax: (250)787-0310

Distances are in metres.
Portions referred to are outlined in red.

REVISION: 0
SCALE: 1:5000

DRAWN BY: FC
JOB No.: 311124456IP1

**CALIFORNIA ALL-PURPOSE
CERTIFICATE OF ACKNOWLEDGMENT**
(CALIFORNIA CIVIL CODE § 1189)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

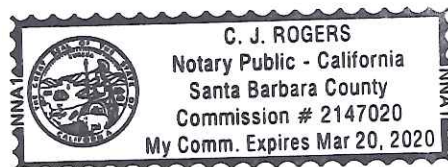
STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)

On NOV 03, 2016 before me, CJ ROGERS / Notary Public
(Date) (Here Insert Name and Title of the Officer)

personally appeared GERALDINE BEATH SHEPHERD,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



[Signature]
Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

Description of Attached Document

Title or Type of Document: SURFACE LEASE & GRANT Document Date: 11-03-16

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Additional Information: _____

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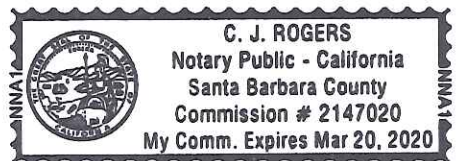
STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA)

On 10/03/2016 before me, CJ ROGERS / NOTARY PUBLIC
(Date) (Here Insert Name and Title of the Officer)

personally appeared MICHAEL JOHN ANDERSON,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.



Signature of Notary Public

(Notary Seal)

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Number of Pages: _____ Signer(s) Other Than Named Above: _____

Additional Information: _____

SCHEDULE "A"

Attached to and made a part of a Surface Lease and Grant dated the 3rd day of November, 2016 between Geraldine Beaty Shepherd as Grantor and Chinook Energy (2010) Inc. as Grantee. (hereinafter referred to as the "Lease")

Additional Terms and Conditions:

Grantor and Grantee agree the following amendments and terms will be included and made part of the current Surface Lease and Grant dated November 3, 2016:

1. Grantor agrees to renew said lease for an additional 3 year term commencing and effective November 3, 2019.
2. The Grantor agrees to a yearly rental of One Thousand (██████) Dollars U.S subject to the same terms and conditions of the Lease.
3. Should Grantee wish to occupy the demised premises, Grantee will advise Grantor and give 30 days written notice (email or otherwise) prior to occupation.
4. Should Grantee wish to occupy demised premises, it will make payable to Grantor the original yearly rental of ██████ US Dollars less the ██████ US Dollars rental already paid. For clarity, Grantee will make payment to Grantor of ██████ US Dollars prior to occupying lease.
5. Upon occupation of demised premises the yearly rental will increase to ██████ US Dollars for remaining term of the Lease.
6. Grantor shall grant a right of first refusal to Grantee should Grantor receive a third party offer on the demised premises. Grantor agrees to give Grantee 15 business days written notice to either terminate the current Lease or agree to enter into a new lease and grant under the same terms of the third party offer.