

**FORM 51-102F4  
BUSINESS ACQUISITION REPORT**

**ITEM 1. IDENTITY OF COMPANY**

**1.1 Name and Address of Company**

Wedgemount Resources Corp. (“**Wedgemount**” or the “**Company**”)  
40440 Thunderbird Ridge, B1831  
Garibaldi Highlands, BC.  
V0N 1T0

**1.2 Executive Officer**

Mark Vanry  
Chief Executive Officer  
Telephone: 778-997-7573

**ITEM 2. DETAILS OF ACQUISITION**

**2.1 Nature of Business Acquired**

On December 19, 2022, Wedgemount entered into an agreement which is dated effective as of December 31, 2022, for the purchase (the “**Acquisition**”) of a 100% working interest of certain oil and gas assets (the “**Acquired Assets**”) located in the Permian Basin of West-Central Texas from Willowbend Investments Inc. The purchase price for the assets was US\$ 1.5 million, paid in instalments, with the final instalment made March 31, 2023 (the “**Closing Date**”). The Company took possession of the Acquired Assets concurrent with the completion of the final instalment. The Company received credit equal to oil and gas production net of production taxes from the Acquired Assets for the period January 1, 2023 to the Closing Date.

The Acquired Assets comprise a 100% working interest in 640 acres including five leases, eleven producing wells and all surface facilities. The working interest is subject to average royalties of approximately 19%. The area’s geology consists of numerous hydrocarbon producing formations which the Company intends to target for future development.

The vendor, Willowbend Investments Inc., is an arm’s length Texas company (the “**Vendor**”).

Production from the Acquired Assets is weighted approximately 81% to light and medium oil with net proved plus probable reserves of 85.5 Mboe (61.5 Mboe net total proved reserves), as estimated by Insite Petroleum Consultants Ltd. (“**Insite**”) in its independent engineering report dated May 1, 2023 and effective April 1, 2023 evaluating the oil, and natural gas reserves attributable to the Acquired Assets and prepared for the company (the “**Acquisition Reserves Report**”).

The average net production of the Acquired Assets for the year ended July 31, 2022 was approximately 29boepd with approximately \$484,591 of operating income.

Reserves data and other oil and gas information in respect of the Acquired Assets is set forth in Schedule “C” to this BAR.

## **2.2 Acquisition Date**

March 31, 2023, with an effective date of January 1, 2023.

## **2.3 Consideration**

Pursuant to the terms of the Purchase Agreement, the purchase price for the Acquired Assets was US\$1.5 million, paid in instalments, with the final payment being made March 31, 2023.

## **2.4 Effect on Financial Position**

The effect of the Acquisition on Wedgemount's financial position is as outlined in the unaudited pro-forma operating statements included with this business acquisition report.

Except in the conduct of business by Wedgemount in the ordinary course, Wedgemount does not presently have any plans or proposals for material changes in its business or affairs or the Acquired Assets, which may have a significant effect on the results of operations and financial position of Wedgemount, or to make any material changes to Wedgemount's business.

## **2.5 Prior Valuations**

No valuation opinion was obtained by Wedgemount or the Vendor or in respect of the Acquired Assets within the last 12 months required by securities legislation or a Canadian securities exchange or market to support the consideration paid by the Company for the Acquired Assets.

## **2.6 Parties to Transaction**

The Parties to the Acquisition were Wedgemount, the Vendor and Wedgemount's wholly owned subsidiary, Wedgemount Texas Corp.

The Acquisition did not involve an informed person (as defined in section 1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations*), associate or affiliate of Wedgemount.

## **2.7 Date of Report**

June 14, 2023.

## **ITEM 3. FINANCIAL STATEMENTS AND OTHER INFORMATION**

The Company is relying on the exemption from the requirements of section 8.4 of NI 41-102 provided in section 8.10(3) of NI 51-102. Accordingly, the following financial and other information required pursuant to section 8.10(3) is attached hereto and forms part of this business acquisition report:

- (a) Operating statement of the Acquired Assets for the years ended July 31, 2021 and 2022, and the six-month periods ended January 31 2022 and 2023, with auditors report in respect of the year ended July 31, 2022.
- (b) Pro forma operating statement of the Company giving affect to the Acquisition for the year ended July 31, 2022 and the six month period ended January 31, 2023.

- (c) Reserves Information in respect of the Acquired Assets.

#### ITEM 4. READER ADVISORY

*This business acquisition report contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Forward- looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "project", "will" or similar words suggesting future outcomes or statements regarding an outlook. All statements, other than statements of historical fact, included herein including, without limitation, statements or information about the integration of the business into the Wedgemount's operations, estimated assumed liabilities associated with the Acquired Assets; expected production and cash flow related to the Acquired Assets; expected number of future drilling locations related to the Acquired Assets; reserve estimates; future production levels; decline rates; drilling locations; future operational and technical synergies resulting from the Acquisition; management's ability to replicate or improve past performance of the Acquired Asset; future negotiation of contracts; the ability of the Company to optimize production from the Acquired Assets; future consolidation opportunities and acquisition targets; the business plan, cost model and strategy of the Company; future cash flows; and future commodities prices are forward-looking statements.*

*By their nature, forward-looking statements involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), constraint in the availability of services, commodity price and exchange rate fluctuations, actions of OPEC and OPEC+ members, the conflict in the Ukraine, changes in legislation impacting the oil and gas industry, adverse weather conditions and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures; and other risk factors as detailed from time to time and the additional risks identified in Wedgemount's filings with Canadian securities regulators on SEDAR (available at [www.sedar.com](http://www.sedar.com)). These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, Wedgemount does not assume any obligation to update or revise them to reflect new events or circumstances.*

#### Abbreviations

##### Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
Mbbls	thousand barrels

##### Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
Mbtu	million British Thermal Units

#### Conversions

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

<b>To Convert From</b>	<b>To</b>	<b>Multiply By</b>
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
Bbls	cubic metres	0.159
cubic metres	Bbls	6.289
Acres	hectares	0.405

### **Barrel of Oil Equivalency**

The term “boe” means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.

### **Certain Reserves Data Information**

The discounted and undiscounted net present value of future net revenues attributable to the reserves of the Acquired Assets do not represent the fair market value of the reserves of the Acquired Assets. There is no assurance that the forecast prices and costs assumptions applied by InSite in evaluating the reserves attributable to the Acquired Assets will be attained and variances could be material. The estimates of light and medium oil, NGLs and conventional natural gas provided in this BAR or otherwise referred to in this BAR are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light and medium oil and conventional natural gas reserves may be greater than or less than the estimates provided in this BAR or otherwise referred to in this BAR, and the difference may be material.

The determination of light and medium oil and conventional natural gas reserves involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves and resources definitions. In addition, rules set forth in the COGE Handbook and NI 51-101 override professional judgments as to volumes of recovery, well productivity and other factors.

The information set forth in this BAR relating to the reserves and future net revenues of the Acquired Assets constitutes forward-looking statements which are subject to certain risks and uncertainties.

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

### **Definitions**

Certain terms used in this BAR in describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations used in this BAR, but not defined or described, are defined in NI 51-101 or the COGE Handbook and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101 or the COGE Handbook.

### **Reserve Categories**

Reserves are estimated remaining quantities of crude oil and conventional natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical and engineering data;

- the use of established technology; and
- specified economic conditions, specifically the forecast prices and costs.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (b) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

- (a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
  - (i) Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - (ii) Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.
- (b) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

### ***Levels of Certainty for Reported Reserves***

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and

- (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

**SCHEDULE A – OPERATING STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

To the Directors of  
Wedgemount Resources Corp.

### **Opinion**

In our opinion, the accompanying financial information of the Willowbend West Central Texas Conventional Assets (the "Property") for the year ended July 31, 2022 is prepared, in all material respects, in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an oil and gas property that is to be acquired.

We have audited the accompanying financial information of the Property, for the year ended July 31, 2022, which comprises the operating statement containing oil and gas sales, royalties, operating expenses and operating income, and notes to the financial information, which include significant accounting policies and other explanatory information.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Information* section of our report. We are independent of the Company and the vendor of the Property in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### **Other Matters**

The financial information of the Property for the year ended July 31, 2021 and the six month periods ended January 31, 2023 and 2022 are unaudited.

### **Responsibilities of Management and Those Charged with Governance for the Financial Information**

Management of Wedgemount Resources Corp. is responsible for the preparation and fair presentation of the financial information in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an acquired oil and gas property, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing management's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Information**

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.





As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

June 12, 2023

**OPERATING STATEMENTS**  
**WILLOWBEND, WEST CENTRAL TEXAS CONVENTIONAL ASSETS**

(US Dollars)	Six Months Ended January 31		Year Ended July 31	
	2023	2022	2022	2021
	(Unaudited)	(Unaudited)		(Unaudited)
	\$	\$	\$	\$
<b>Revenue</b>				
Oil and gas sales	2a, 3	54,696	337,018	843,967
Royalties	2b	(10,939)	(67,404)	(168,793)
		43,756	269,614	675,174
				386,138
<b>Expenses</b>				
Operating	2c	14,242	129,194	190,583
<b>Operating Income</b>		<b>29,515</b>	<b>140,420</b>	<b>484,591</b>
				<b>230,940</b>

*See accompanying notes to the operating statements*

**NOTES TO THE OPERATING STATEMENTS  
WILLOWBEND, WEST CENTRAL TEXAS CONVENTIONAL ASSETS**

For the six months ended January 31, 2023 and 2022, and  
the years ended July 31, 2022 and 2021

**1. BASIS OF PRESENTATION**

The operating statements containing schedules of revenues, royalties, and operating expenses (the "Operating Statements") include the operating results relating to the operations of the Willowbend, West Central Texas Conventional Assets (the "Willowbend" or the "Acquired Assets") of the Vendor (the "Vendor") for the six months ended January 31, 2023 and 2022 and the years ended July 31, 2022 and 2021.

The line items in the Operating Statements have been prepared in all material respects using accounting policies that are permitted by International Financial Reporting Standards ("IFRS") applicable to publicly accountable enterprises, with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. The Operating Statements have been prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for operating statements of an acquired oil and gas property.

The Operating Statements include the following line items: oil and gas sales, royalties, and operating expenses related to the Acquired Assets and do not include any provision for depletion and depreciation, decommissioning obligations, capital costs, impairment of properties, general and administrative expenses or income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Revenue Recognition**

The Company recognizes revenue when it transfers control of the product to the customer, which is generally when legal title passes to the customer. Sales of crude oil, and natural gas are based on variable pricing as the transaction prices are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Each contract is evaluated based on the nature of the performance obligations.

**b) Royalties**

Royalties are recorded at the time the product is sold. Royalties are based on calculations in accordance with terms of individual royalty agreements.

**c) Operating Expenses**

Operating expenses are recorded at cost and include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses include; field labour, administrative overhead, utilities, consumables, insurance, trucking, water disposal, maintenance, repairs, property taxes, and miscellaneous third-party oil field service costs.

### 3. OIL AND GAS SALES

(US Dollars)	Six Months Ended January 31		Years Ended July 31	
	2023 (Unaudited)	2022 (Unaudited)	2022	2021 (Unaudited)
	\$	\$	\$	\$
Crude oil sales	40,343	277,474	736,798	429,186
Gas sales	14,352	59,544	107,169	53,487
<b>Total oil and gas sales</b>	<b>54,695</b>	<b>337,018</b>	<b>843,967</b>	<b>482,672</b>

**SCHEDULE B – PRO FORMA OPERATING STATEMENT**

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**Pro Forma Operating Statement for the Six Months Ended January 31, 2023 (Unaudited)**

(US Dollars)	Notes	Wedgemount	Acquired Assets	<b>Pro Forma</b>
<b>Revenue</b>				
Oil and gas sales	2a, 3	-	54,696	54,696
Royalties	2b	-	(10,939)	(10,939)
		-	43,756	43,756
<b>Expenses</b>				
Operating	2c	-	14,242	14,242
<b>Operating income</b>	2d	-	<b>29,515</b>	<b>29,515</b>

**Pro Forma Operating Statement for the Year Ended July 31, 2022 (Unaudited)**

(US Dollars)	Notes	Wedgemount	Acquired Assets	<b>Pro Forma</b>
<b>Revenue</b>				
Petroleum and natural gas sales	2a, 3	-	843,967	843,967
Royalties	2b	-	(168,793)	(168,793)
		-	675,174	675,174
<b>Expenses</b>				
Operating	2c	-	190,583	190,583
<b>Operating income</b>	2d	-	<b>484,591</b>	<b>484,591</b>

*See accompanying notes to the pro-forma operating statements*

**Wedgemount Resources Corp.**  
**Notes to Pro Forma Operating Statements**  
**Six Months Ended January 31, 2023 and Year Ended July 31, 2022**  
*(amounts in United States Dollars, unless otherwise stated; unaudited)*

**1. BASIS OF PRESENTATION**

The accompanying unaudited pro forma operating statements (the "pro forma statements") of Wedgemount Resources Corp. (the "Company" or "Wedgemount") for the six months ended January 31, 2023 and for the year ended July 31, 2022 have been prepared by management of the Company for illustrative purposes only and give effect to the Company's proposed acquisition (the "Acquisition") of certain petroleum and natural gas leases in Runnels County, Texas ("Willowbend" or the "Acquired Assets"). The pro forma statements containing schedules of gross revenues, royalties and operating costs, give effect to the acquisition of the Willowbend Assets.

The pro forma statements have been prepared from information derived from, and should be read in conjunction with:

- the unaudited condensed interim consolidated financial statements of the Company as at and for the six months ended January 31, 2023;
- the audited consolidated financial statements of the Company as at and for the year ended July 31, 2022;
- the unaudited interim operating statement for the Willowbend Assets for the six months ended January 31, 2023;
- the audited operating statement for the Willowbend Assets for the year ended July 31 2022.

The pro forma statements give effect to the Acquisition as if the Acquisition had occurred on August 1, 2021.

The line items of the pro forma statements are prepared in accordance with accounting policies that are permitted by IFRS and the financial reporting framework specified in subsection 3.14 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for acceptable accounting policies for pro forma financial statements.

The pro forma statements may not be indicative of the results that would have occurred if the events reflected therein had been in effect on the date indicated or of the results which may be obtained in the future. The actual results of operations of the Company for any period following the closing of the Acquisitions will vary from the amounts set forth in the pro forma statements and such variation may be material.

The pro forma statements do not include any provision for depletion, depreciation and amortization, administration, share-based compensation, asset retirement obligations accretion, interest and other financing expense, or income taxes, revenue recognition, royalties, operating expenses or use of estimates. These pro forma operating statements have been prepared by management in accordance with the principles of IFRS issued and outstanding as of June 12, 2023, the date these pro forma operating statements were compiled. However, these operating statements are not in compliance with IFRS as certain notes and information have been omitted or condensed for the purpose of the pro forma operating statements.

In the opinion of management, the unaudited pro forma statements include all the necessary adjustments for the fair presentation of the ongoing entity.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### a) Revenue Recognition

The Company recognizes revenue when it transfers control of the product to the customer, which is generally when legal title passes to the customer. Sales of crude oil, and natural gas are based on variable pricing as the transaction prices are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Each contract is evaluated based on the nature of the performance obligations.

### b) Royalties

Royalties are recorded at the time the product is produced and sold. Royalties are calculated in accordance with terms of individual royalty agreements.

### c) Operating Expenses

Operating expenses are recorded at cost and include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses include; field labour, administrative overhead, utilities, consumables, insurance, trucking, water disposal, maintenance, repairs, property taxes, and miscellaneous third-party oil field service costs.

### d) Operating Income

The term "operating income" does not have a prescribed meaning under IFRS. For purposes of these Operating Statements, operating income is calculated as oil and gas sales, net of royalties and less operating expenses.

## 3. OIL AND GAS SALES

### Six Months Ended January 31, 2023

(US Dollars)	Wedgemount	Acquired Assets	Pro Forma
Crude oil sales	-	40,343	113,145
Gas sales	-	14,352	1,103
<b>Total oil and gas sales</b>	<b>-</b>	<b>54,695</b>	<b>115,635</b>

### Year Ended July 31, 2022

(US Dollars)	Wedgemount	Acquired Assets	Pro Forma
Crude oil sales	-	736,798	736,798
Gas sales	-	107,169	107,169
<b>Total oil and gas sales</b>	<b>-</b>	<b>843,967</b>	<b>843,967</b>



## SCHEDULE C – RESERVES INFORMATION

On March 31, 2023, the Company and the Vendor completed the Acquisition. The assets acquired by the Company pursuant to the Acquisition consisted of primarily light-oil assets located in the Permian Basin of West Texas.

InSite Petroleum Consultants Ltd. (“InSite”) has prepared a forecast prices and costs evaluation of the Acquired Assets (the “Acquisition Reserves Report”) The effective date of the reserve estimates and cash flow forecasts presented is April 1, 2023.

The revenue forecasts presented are based on forecast prices and costs. The price forecast used for the reference price of oil is Cushing West Texas Intermediate in US dollars. Natural gas reference prices are based on Henry Hub in US dollars. Price forecasts for major purchasers are detailed in the tables under the heading Pricing Assumptions below. All oil prices used in the evaluation have been adjusted from the reference price for quality and transportation; gas prices have been adjusted for heating value. The Company does not have any physical forward sale contracts for oil, gas or gas liquids.

Operating costs are based on a review of the Company’s annual lease expense statements. Operational costs which are deemed necessary for production of the Company’s oil, gas and gas liquid reserves have been entered at the well level for wells that have been assigned reserve categories. Operating costs that are associated with producing wells that are currently uneconomic have been entered as one entity at the property level and are scheduled to be reduced as the wellbores are abandoned.

Abandonment and reclamation costs included in the economic runs are based on abandonment reclamation obligations (ARO) provided by the Company. Well abandonment costs of \$27,875 per well and reclamation costs of \$7,875 are included in the report at the well level for all existing wells that have been assigned reserves. Abandonment and reclamation costs are scheduled to occur 60 months following economic cut off for each well group. Facility and pipeline abandonments have been estimated by the Company and are included in the scheduled well abandonment amounts.

The tables below are a summary of all of the Acquired Assets crude oil and natural gas proved developed producing, proved developed not producing and probable producing reserves and the net present value of future net revenue attributable to such reserves as prepared by Insite effective April 1, 2023.

### Summary of Reserves as of April 1, 2023 (Forecast Prices and Costs)

**Wedgemount Resources Corp.  
NI 51-101 FORECAST CASE  
OIL AND GAS RESERVES SUMMARY  
April 1, 2023 Willowbend Acquired Assets (USD)**

Effective April 01, 2023

Willowbend

VOLUMES IN IMPERIAL UNITS																			
Oil										Natural Gas									
CATEGORY	Light/Medium Crude		Heavy Crude		Bitumen		Solution		Conventional		Coalbed Methane		Natural Gas Liquids		Sulphur		Total BOE		
	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross MMcf	Co. Share Net MMcf	W.I. Gross MMcf	Co. Share Net MMcf	W.I. Gross MMcf	Co. Share Net MMcf	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross Mit	Co. Share Net Mit	W.I. Gross Mboe	Co. Share Net Mboe	
PDP	45.0	36.6	0.0	0.0	0.0	0.0	3.6	2.9	75.6	60.5	0.0	0.0	0.0	0.0	0.0	0.0	58.2	47.2	
PDNP	13.9	11.3	0.0	0.0	0.0	0.0	1.4	1.1	20.9	16.7	0.0	0.0	0.0	0.0	0.0	0.0	17.7	14.3	
PD+PU	58.9	47.9	0.0	0.0	0.0	0.0	5.0	4.0	96.5	77.2	0.0	0.0	0.0	0.0	0.0	0.0	75.8	61.5	
Probable	27.9	23.2	0.0	0.0	0.0	0.0	0.6	0.5	5.8	4.7	0.0	0.0	0.0	0.0	0.0	0.0	29.0	24.1	
P+P	86.8	71.1	0.0	0.0	0.0	0.0	5.6	4.5	102.4	81.9	0.0	0.0	0.0	0.0	0.0	0.0	104.8	85.5	

VOLUMES IN METRIC UNITS																					
Oil											Natural Gas										
CATEGORY	Light/Medium Crude		Heavy Crude		Bitumen		Solution		Conventional		Coalbed Methane		Natural Gas Liquids		Sulphur		Total BOE				
	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E6m3	Co. Share Net E6m3	W.I. Gross E6m3	Co. Share Net E6m3	W.I. Gross E6m3	Co. Share Net E6m3	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E3t	Co. Share Net E3t	W.I. Gross E3m3e	Co. Share Net E3m3e	W.I. Gross E3m3e	Co. Share Net E3m3e	
PDP	7.1	5.8	0.0	0.0	0.0	0.0	0.1	0.1	2.1	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.2	7.5	
PDNP	2.2	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8	2.3	
PD+PU	9.4	7.6	0.0	0.0	0.0	0.0	0.1	0.1	2.7	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.1	9.8	
Probable	4.4	3.7	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.6	3.8	
P+P	13.8	11.3	0.0	0.0	0.0	0.0	0.2	0.1	2.9	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.7	13.6	

Light/Medium includes Tight and Synthetic Oil. Heavy includes Ultra Heavy and Pelican Lake Heavy in Alberta

## Summary of Net Present Value of Future Net Revenue Forecast Prices and Costs as of April 1, 2023

### Wedgemount Resources Corp. NI 51-101 FORECAST CASE TOTAL FUTURE NET REVENUE April 1, 2023 Willowbend Acquired Assets (USD)

Effective April 01, 2023

Willowbend

CATEGORY	Revenue* M\$	Royalties M\$	Operating Costs M\$	Investment Costs M\$	Well Abandonment Costs** M\$	Future Net Revenue Before Income Taxes M\$	Income Taxes M\$	Future Net Revenue After Income Taxes M\$
Proved Developed Producing	3,409.0	171.4	1,686.8	0.0	528.3	1,022.6	0.0	1,022.6
Proved Developed Non-Producing	1,041.9	54.0	341.4	214.1	-0.6	433.1	0.0	433.1
Proved	4,450.9	225.4	2,028.1	214.1	527.7	1,455.6	0.0	1,455.6
Probable	2,107.1	98.4	1,032.6	103.0	128.5	744.5	0.0	744.5
Proved Plus Probable	6,558.0	323.8	3,060.7	317.1	656.2	2,200.1	0.0	2,200.1

Taxpool: No Taxpool Set. \*Revenue includes product revenue and other income from facilities, wells and corporate if specified.\*\*Well Abandonment Costs are Less Salvage

## Production Estimates

The following table sets out for each product type the average net production rate estimated for the year ending March 31, 2024 in the estimates contained in the Acquisition Reserves Report for gross proved reserves and gross probable reserves. Actual results may differ significantly from the information below.

	Light and Medium Oil (bbl/d)	Natural Gas (Mcf/d)	(BOE/d)
Total Proved	21	36	27
Total Probable	5	0	5
<b>Total Proved + Probable</b>	<b>26</b>	<b>36</b>	<b>32</b>

## Production History

### Average Daily Production

The following table sets forth, by product type, the average net daily production volumes, product prices received, royalties paid, operating expenses and resulting netbacks with respect to the Assets, quarterly and for the year ended July 31, 2022.

Three months ended	October 31, 2021	January 31, 2022	April 30, 2022	July 31, 2022	Year ended July 31, 2022
<b>Average Daily Production</b>					
Light and Medium oil (bbl/d)	23	21	19	31	23
Natural Gas (Mcf/d)	38	35	34	22	32
<b>Total (BOE/d)</b>	<b>29</b>	<b>27</b>	<b>25</b>	<b>34</b>	<b>29</b>
<b>BOE Metrics (\$/boe)</b>					
Price	65.05	68.79	91.17	97.33	81.21
Royalties	13.01	13.76	18.23	19.47	16.24
Production Costs	30.17	20.76	11.94	11.13	18.34
<b>Netback</b>	<b>21.87</b>	<b>34.27</b>	<b>61.00</b>	<b>66.73</b>	<b>46.63</b>

### Pricing Assumptions

The forecast cost and price assumptions in this BAR assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. The following oil and natural gas benchmark reference pricing, inflation and exchange rates as at April 1, 2023 were utilized in the Acquisition Reserves Report.

### Summary of Pricing and Inflation Rate Assumptions April 1, 2023 Forecast Prices and Costs

#### Crude Oil Price Forecasts

YEAR	WTI @	BRENT	CDN/US	WTI @	EDM	WESTERN						
	CUSHING	BLEND	EXCHANGE	CUSHING	REF	HARDISTY	CANADA	HEAVY	CONDEN-	BUTANE	PROPANE	ETHANE
	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL	\$/BBL
2023	75.00	79.00	0.750	100.00	95.50	76.00	75.50	67.00	98.37	51.57	38.20	9.63
2024	74.00	78.00	0.750	98.67	94.67	75.17	74.67	64.17	98.45	51.12	39.76	12.13
2025	75.50	79.50	0.750	100.67	93.92	75.42	74.92	64.20	98.61	50.72	40.38	14.12
2026	77.01	81.09	0.750	102.68	94.93	77.43	76.93	65.99	100.63	51.26	40.82	14.52
2027	78.55	82.71	0.750	104.73	95.73	80.73	80.23	69.06	102.43	51.70	41.17	14.82
2028	80.12	84.37	0.750	106.83	97.65	83.15	82.65	71.24	104.48	52.73	41.99	15.13
2029	81.72	86.05	0.750	108.96	99.60	84.81	84.30	72.67	106.57	53.78	42.83	15.45
2030	83.36	87.77	0.750	111.14	101.59	86.51	85.99	74.12	108.70	54.86	43.69	15.77
2031	85.03	89.53	0.750	113.37	103.63	88.24	87.71	75.60	110.88	55.96	44.56	16.10
2032	86.73	91.32	0.750	115.63	105.70	90.00	89.46	77.11	113.10	57.08	45.45	16.44
2033	88.46	93.15	0.750	117.95	107.81	91.80	91.25	78.66	115.36	58.22	46.36	16.78
2034	90.23	95.01	0.750	120.31	109.97	93.64	93.08	80.23	117.67	59.38	47.29	17.13
2035	92.03	96.91	0.750	122.71	112.17	95.51	94.94	81.83	120.02	60.57	48.23	17.49
2036	93.87	98.85	0.750	125.17	114.41	97.42	96.84	83.47	122.42	61.78	49.20	17.85
2037	95.75	100.83	0.750	127.67	116.70	99.37	98.77	85.14	124.87	63.02	50.18	18.22
2038	97.67	102.84	0.750	130.22	119.03	101.36	100.75	86.84	127.36	64.28	51.18	18.60
2039	99.62	104.90	0.750	132.83	121.41	103.38	102.76	88.58	129.91	65.56	52.21	18.99
2040	101.61	107.00	0.750	135.48	123.84	105.45	104.82	90.35	132.51	66.87	53.25	19.38

### Gas Price Forecasts

YEAR	HENRY		ALBERTA	ALBERTA	AGGRE-	ALBERTA	SASK	SUMAS	BC			
	HUB	AECO C	1 YR FIRM	SPOT	GATOR	AGRP	SPOT	SPOT	STN 2	DAWN	SULPHUR	
	\$US/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	C\$/MMBTU	\$/LT
2023	2.80	2.95	2.65	2.65	2.50	2.75	3.05	4.10	2.85	3.73	60.00	
2024	3.80	3.67	3.37	3.37	3.22	3.47	3.77	4.84	3.57	4.87	61.20	
2025	4.30	4.23	3.93	3.93	3.78	4.03	4.33	5.43	4.13	5.53	62.42	
2026	4.39	4.35	4.05	4.05	3.90	4.15	4.45	5.57	4.25	5.65	63.67	
2027	4.47	4.43	4.13	4.13	3.98	4.23	4.53	5.69	4.33	5.76	64.95	
2028	4.56	4.52	4.22	4.22	4.07	4.32	4.62	5.80	4.42	5.88	66.24	
2029	4.65	4.61	4.31	4.31	4.16	4.41	4.71	5.92	4.51	6.01	67.57	
2030	4.75	4.71	4.41	4.41	4.26	4.51	4.81	6.04	4.61	6.13	68.92	
2031	4.84	4.80	4.50	4.50	4.35	4.60	4.90	6.17	4.70	6.26	70.30	
2032	4.94	4.90	4.60	4.60	4.45	4.70	5.00	6.29	4.80	6.39	71.71	
2033	5.04	4.99	4.69	4.69	4.54	4.79	5.09	6.42	4.89	6.52	73.14	
2034	5.14	5.09	4.79	4.79	4.64	4.89	5.19	6.55	4.99	6.65	74.60	
2035	5.24	5.20	4.90	4.90	4.75	5.00	5.30	6.68	5.10	6.79	76.09	
2036	5.35	5.30	5.00	5.00	4.85	5.10	5.40	6.82	5.20	6.93	77.62	
2037	5.45	5.41	5.11	5.11	4.96	5.21	5.51	6.96	5.31	7.07	79.17	
2038	5.56	5.51	5.21	5.21	5.06	5.31	5.61	7.10	5.41	7.22	80.75	
2039	5.67	5.62	5.32	5.32	5.17	5.42	5.72	7.24	5.52	7.37	82.37	
2040	5.79	5.74	5.44	5.44	5.29	5.54	5.84	7.39	5.64	7.52	84.01	

Note: All prices escalated at 2% per year after 2040  
 All costs escalated at 2% per year after 2023  
 First year forecast is for 9 months