



WEDGEMOUNT

R E S O U R C E S

Wedgemount Resources Announces Transformational Acquisition of Additional Permian Basin Assets and CAD\$2.0 Million Convertible Debenture Financing

Vancouver, BC – July 29, 2024 – Wedgemount Resources Corp. (CSE: WDGY)(OTCQB: WDGRF) (“**Wedgemount**” or the “**Company**”), is pleased to announce that it has entered into a Purchase and Sale Agreement (“**PSA**”) for the acquisition of additional oil and gas assets (the “**Huggy Assets**”) located in the Permian Basin of west central Texas. The PSA is with an arm’s length private company (the “**Seller**”) located in Texas, USA.

Acquisition Highlights – Huggy Operations, Eastern Shelf

- 20,000+ acres including two core operating areas adjacent to Wedgemount’s current facilities, 30 miles south of Abilene, TX
- 111 vertical production and eight injector wells currently producing 72 boe/d
- Estimated production of 900 boe/d within 1 year and 1600 boe/d within 2 years
- Purchase price US\$900,000 – **Valuation = US\$12,500 per flowing boe/d**
- **Cash Flow Multiple 0.33x NTM net operating cash flow**
- 100% working interest / 75% net royalty interest
- 100+ development drilling locations with similar geology
- Minimal capital requirements estimated to significantly increase current production
- Multiple existing up-hole shallow targets on acreage for potential future growth
- All land held by operating leases with no expiries

Wedgemount will acquire a 100% working interest in 20,000 acres comprising 37 oil and gas leases, hosting 111 producing wells, eight injectors and all surface facilities. Current production from the 111 wells is approximately 72 boe/d of high-quality, low-decline operated production. The area’s geology consists of numerous hydrocarbon-producing formations, which management anticipates will be targeted by the Company.

“We’re extremely excited to announce this transformational acquisition by Wedgemount in the Permian Basin. Our team has done an outstanding job identifying undervalued and under-optimized assets in our core area at very attractive pricing,” stated Mark Vanry, CEO of Wedgemount. “We believe the new assets offer the same low-cost production upside exhibited by our existing assets. Field work, including chemical treatments, well-workovers, repairing wells currently down and restarting shut-in wells, is expected to commence immediately upon closing.”

Terms of the Purchase

Wedgemount will make cash payments to the Seller totaling US\$900,000 as to: US\$90,000 upon signing of the agreement and US\$810,000 within five business days of the expected closing on August 26, 2024.

Convertible Debenture Financing Details

In connection with the acquisition, Wedgemount also announces it intends to complete a non-brokered private placement (the “**Offering**”) of convertible debentures of the Company (the “**Convertible Debenture Units**”) at a price of CAD\$1,000 for gross proceeds of up to CAD\$2,000,000.

Each Convertible Debenture Unit will be comprised of CAD\$1,000 principal amount of unsecured convertible debenture (“**Convertible Debenture**”) and 2,941 common share purchase warrants (each a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one common share of Wedgemount (each a “**Common Share**”) at a price of CAD\$0.30 for a period of thirty-six (36) months from the date of issuance thereof.

The Convertible Debentures will bear interest at a rate of 10.0% per annum, calculated and payable semi-annually in arrears, commencing February 24, 2025 and maturing thirty-six (36) months from the date of issuance (the “**Maturity Date**”). The principal amount of each Convertible Debenture will be convertible into Common Shares of the Company at a price of CAD\$0.17 (the “**Conversion Price**”) at the option of the holder of a Convertible Debenture at any time prior to the close of business on the Maturity Date. On or after August 24, 2025 the Convertible Debentures may be redeemed in whole or in part from time to time at the option of the Company at CAD\$1,050 plus accrued and unpaid interest.

The Convertible Debentures will be unsecured obligations of the Company and will be subordinated in right of payment of principal and interest to all secured debt and to all existing and future senior indebtedness of the Company and senior to any of the Company’s future debt that is expressly subordinated to the Convertible Debentures.

The net proceeds received by the Company from the Offering will be used for the acquisition of the Huggy Assets described above and for continued optimization of the Company’s operated oil and gas assets.

About Wedgemount Resources Corp.

Wedgemount Resources is a junior oil & gas company focused on maximizing shareholder value through the acquisition, development and exploitation of natural resource projects in the southern USA.

On behalf of the Board of Directors,
WEDGEMOUNT RESOURCES CORP.

Mark Vanry, President and CEO

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Reader Advisory

This news release may contain statements which constitute “forward-looking information”, including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities of the Company. The words “may”, “would”,

“could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Forward looking statements made in this news release include the anticipated completion of the acquisition of the Huggy Assets and the completion of the Offering and the proposed timing thereof. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities and involve risks and uncertainties, and that the Company’s future business activities may differ materially from those in the forward-looking statements as a result of various factors, including, but not limited to, availability of funds, personnel and other resources necessary to conduct exploration or development programs, successes of the Company’s exploration efforts, availability of capital and financing and general economic, market or business conditions. There can be no assurances that such information will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

Neither the Canadian Securities Exchange nor the Canadian Investment Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.