

# **WASKAHIGAN OIL & GAS CORP.**

## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on Tuesday, April 4th, 2023**

**at 7:00 a.m. (Calgary time)**

**at the offices of Waskahigan Oil & Gas Corp.**

**Suite 203, 221 – 10th Avenue SE,**

**Calgary, Alberta**

**T2G 0V9**

## **MANAGEMENT PROXY CIRCULAR**

**March 6, 2023**

## Executive Summary

Waskahigan Oil & Gas Corp (“**WOGC**” or the “**Company**”) (CSE: WOGC) has called an annual general and special meeting of shareholders for 7:00am April 4, 2023 at 203, 221 10<sup>th</sup> Avenue SE, Calgary, Alberta T2G 0V9 (the “Meeting”). At the Meeting WOGC will be seeking shareholder approval for the following resolutions:

- (a) Approval of a Plan of Arrangement (as described below);
- (b) consolidation of the issued and outstanding shares of WOGC as described below;
- (c) approval of a name change of WOGC;

The WOGC Shareholders will be asked to approve by special resolution (66 2/3%) and by majority of the minority, the Plan of Arrangement amongst WOGC, Fox Creek Energy Ltd. (“**FCE**”), which is a wholly owned subsidiary of WOGC, and Odaat Oil Corp (“**Odaat**”), which is a wholly owned subsidiary of FCE. WOGC owns no assets other than the shares of FCE. FCE owns no assets other than the shares in Odaat. Odaat carries on the business of oil and gas exploration and production in Alberta.

The purpose of the proposed Plan of Arrangement is to facilitate Odaat’s ability to raise capital for the following purposes:

- (a) to pay for its proportionate share of the proposed tie-in pipeline from Odaat’s Deep Valley wells to the Canadian Natural Resources Limited (“**CNRL**”) pipeline thereby enabling Odaat to market natural gas from 5 Deep Valley wells;
- (b) to pay its proportionate share of the associated pipeline integrity inspection and servicing costs to reactivate Odaat’s pipelines in Deep Valley; and
- (c) to pay for the expenses associated with the upgrading of equipment at each Deep Valley well to meet current regulatory emission standards.

WOGC has been approached by a party which has expressed interest in acquiring control of WOGC for the purpose of pursuing a new business that would constitute a change of business. No agreement has been entered into at this time with respect to that possible change of business and change of control of WOGC.

Any agreement between WOGC and the party which has express interest in acquiring WOGC for the reasons explained above, will include conditions surrounding effecting a reverse takeover (“**RTO**”) such that FCE would no longer be a subsidiary of WOGC. There are 13,196,868 common shares of WOGC. Upon plan implementation, WOGC would dividend 13,196,868 FCE common shares to the shareholders of WOGC on a 1:1 basis. Upon plan implementation, FCE would have 1 subsidiary (Odaat) which would carry on the oil and gas business. Upon plan implementation, FCE would become a reporting issuer in Alberta and British Columbia. Upon plan implementation, FCE would not trade on any stock exchange which may impact the liquidity of FCE shares. Implementation of the plan of arrangement is subject to a concurrent closing of the reverse takeover. The resulting issuer (WOGC) would meet Canadian Securities Exchange (“**CSE**”) listing requirements and continue to trade on the CSE.

As part of the RTO transaction, the controlling shareholders of WOGC may be asked to sell their shares of WOGC. If they do so, they may re-invest some of the net sale proceeds into FCE by way of private placement or debt convertible into common shares to pay for the pipeline construction costs. Non-controlling shareholders will: (a) maintain their existing WOGC common shares in the reverse takeover target; and (b) be issued FCE common shares as part of the arrangement.

Under applicable securities laws, “minority approval” is required if “related parties” receive a “collateral; benefit” under a “business combination” (defined to include an arrangement) or are involved in a “related party transaction”. Gregory J. Leia is the controlling shareholder and a director and officer of WOGC. Gregory J. Leia, directly or indirectly, owns 7,634,100 common shares (57.88%). Gregory J. Leia is a shareholder and director of Smoky which is the secured creditor of WOGC. Tracy Zimmerman, director and CFO, owns 684,300 common shares (5%). Gerald Roe, a director owns 40,000 shares. Because all of the shareholders of WOGC (including Gregory J. Leia, Tracy Zimmerman and Gerald Roe) will receive the exact same consideration there is no “collateral benefit” to Gregory J. Leia. Notwithstanding the Court of King’s Bench granted an interim order on March 6, 2023 which requires that the plan of arrangement be approved by a majority of the minority, excluding the shares owned by Mr. Leia, any related parties, Mr. Zimmerman and Mr. Roe who will not be able to vote on the resolution.

WOGC is seeking approval of a 2:1 consolidation whether the plan of arrangement is approved or implemented or not. Management believes the consolidation may be necessary to raise the \$500,000 necessary to complete the pipeline and well upgrades. Even if the resolution is passed, management may decide not to implement the consolidation. It is customary to change the name of WOGC upon effecting a consolidation.

All of the above steps are subject to regulatory and stock exchange approval. No approvals have been obtained. The regulatory agencies may require a further shareholder meeting to approve the RTO. WOGC intends to seek a waiver of additional meetings if WOGC can provide written consents of 66 2/3% of the shareholders. **This means WOGC Shareholders may not be entitled to vote on a subsequently proposed business combination if the applicable corporate and securities laws and the corporate bylaws permit the approval of the reverse takeover without the necessity of holding a special meeting for this purpose.**

WOGC shareholders will be provided dissent rights with respect to the plan of arrangement.

Further, if the subsequent reverse takeover is permitted without requiring the approval of the WOGC Shareholders at a meeting called for such purpose, then the WOGC Shareholders shall be given another opportunity to dissent within 30 days after key elements of that transaction are completed.

There is no guarantee that WOGC will find a business combination which qualifies for any exchange. There is no guarantee that such business combination will be accepted by any exchange or if accepted the CSE may impose conditions on the listing which make it impossible to meet or that the shareholders will approve such business combination.

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## APPENDIX

### APPENDIX

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## WASKAHIGAN OIL & GAS CORP.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF THE SHAREHOLDERS

**TAKE NOTICE THAT** the Annual General and Special Meeting (the "**Meeting**") of the shareholders of Waskahigan Oil & Gas Corp. (the "**Corporation**" or "**WOGC**") will be held at the offices of the Corporation, Suite 203, 221 – 10<sup>th</sup> Avenue SE, Calgary, Alberta T2G 0V9 on Tuesday April 4th, 2023 at 7:00 a.m. (Calgary time). Registered shareholders shall be entitled to participate in the meeting by telephone or Webex. Registered shareholders are required to contact the Corporations solicitors (Wolff Leia 403 265 4122) prior to 5:00pm MST on Friday March 31, 2023 to demonstrate share ownership and to obtain the dial in number or webex links. If a non-registered shareholder wishes to participate such shareholder shall have its intermediary provide Wolff Leia proof of ownership prior to 5:00pm MST on March 31, 2023 to obtain the dial in number or the Webex link. The Meeting is being called for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation as at and for the year ended December 31, 2020 and December 31, 2021, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at up to five members;
3. to consider and if deemed advisable, to approve by special resolution and majority of the minority (excluding the shares owned by officers and directors of WOGC and related parties) the Plan of Arrangement amongst WOGC, Fox Creek Energy Ltd. ("**FCE**") and Odaat Oil Corp. ("**Odaat**"). The text of the special resolution is as follows:

***BE IT RESOLVED*** by special resolution and by majority of the minority (excluding the shares owned by the directors and officers of WOGC and related parties) that the Plan of Arrangement under section 193 of the Business Corporations Act (Alberta) (the "**ABCA**") involving Waskahigan Oil & Gas Corp. ("**WOGC**"), Fox Creek Energy Ltd. ("**FCE**"), Odaat Oil Corp. ("**Odaat**") and the shareholders of WOGC (the "**WOGC Shareholders**"), dated January 1, 2023 as amended, is hereby authorized, approved and adopted. FCE will dividend 13,196,868 common shares to the holders of 13,196,868 WOGC common shares on a one-for-one (1:1) basis as of the close of business on April 9, 2023 (or as determined by the board of directors) and upon filing of the Articles of Amendment with the Registrar of Corporations appointed under section 263 of the ABCA. Shares issued by FCE to the WOGC Shareholders shall be valued at \$0.00001 per share or aggregate value of \$1,319. If Canada Revenue Agency determines that the value of the assets of WOGC is higher than the agreed upon price then the value of the 13,916,868 shares shall increase proportionally. If WOGC challenges such determination in the Tax Court of Canada then the final determination shall be made by the Tax Court of Canada. WOGC shall reduce its stated capital or paid up capital or contributed surplus accounts by \$1,319 or the excess of the fair market value over the assumed liabilities as determined by the Canada Revenue Agency. If WOGC challenges such determination in the Tax Court of Canada then the final determination shall be made by the Tax Court of Canada. WOGC agrees to make such further and other adjustments and make such elections as are necessary to make the transaction to WOGC shareholders who receive by dividend the FCE shares pursuant to any plan of arrangement as tax free as possible. Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the WOGC shareholders or that the Plan of Arrangement has been approved by the Court of King's Bench of Alberta, the directors of WOGC are hereby authorized and empowered without further notice to or approval of the WOGC Shareholders: (i) to amend the Plan of Arrangement, to the extent permitted by the Plan of Arrangement (with Court approval); and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Plan of Arrangement.

4. to consider and if deemed advisable, to approve by special resolution the consolidation of the common shares of WOGC on a 2:1 basis. The text of the special resolution is as follows:

***“BE IT RESOLVED***, as a Special Resolution, that the Corporation is hereby authorized to amend its Articles of Incorporation to provide that the authorized share capital of the Corporation is amended by consolidating all of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation common share for every two (2) pre-consolidation common shares”

5. to consider and if deemed advisable, to pass a special resolution to approve a name change of the Corporation. The text of the special resolution is as follows:

*“BE IT RESOLVED, as a Special Resolution, that the Corporation is hereby authorized to amend its Articles of Incorporation to provide that the name of the Corporation to such name as the directors of the Corporation approve”*

6. to consider and if deemed advisable to approve the directors of WOGC;
7. to consider and if deemed advisable to approve Crowe MacKay LLP as auditors;
8. to consider and if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Management Proxy Circular, ratifying, adopting and re-approving the stock option plan of the Corporation and authorizing the Corporation's board of directors to make any amendments thereto that may be required for the purpose of obtaining the approval of the applicable securities regulatory authority or stock exchange; and
9. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Proxy Circular. **A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Proxy Circular and Instrument of Proxy.** An Instrument of Proxy will not be valid unless it is deposited at the offices of Computershare (Attention: Proxy Department), 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, by 12:00 (Toronto time) or not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the adjournment of the Meeting thereof. A registered shareholder can complete internet voting by logging on at [www.investorvote.com](http://www.investorvote.com) and entering the web voting control number located on the address box of the shareholder's instrument of proxy. A person appointed as proxy holder need not be a shareholder of the Corporation. In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be emailed by a shareholder at [www.investorvote.com](http://www.investorvote.com). Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk. Dated at Calgary, Alberta as of the 6th day of March, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Gregory J. Leia*

Director, President and Chief Executive Officer



**IN THE COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE OF CALGARY  
IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*,  
R.S.A. 2000, c. B-9, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT INVOLVING WASKAHIGAN OIL & GAS CORP, FOX CREEK ENERGY LTD., ODAAT OIL CORP AND THE SECURITY HOLDERS OF WASKAHIGAN OIL & GAS CORP.**

**NOTICE OF APPLICATION**

**NOTICE IS HEREBY GIVEN** that an originating application (the "**Application**") has been filed with the Court of King's Bench of Alberta, Judicial Centre of Calgary Action 2301 02480 (the "**Court**") on behalf of Waskahigan Oil & Gas Corp ("**WOGC**"), Fox Creek Energy Ltd. ("**FCE**") and Odaat Oil Corp ("**Odaat**") with respect to a proposed plan of arrangement (the "**Plan of Arrangement**") under section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), involving WOGC, FCE, Odaat and the holders of common shares of WOGC (the "**WOGC Shareholders**"), which Plan of Arrangement is described in greater detail in the management information circular of WOGC dated March 3, 2023 accompanying this Notice of Application. At the hearing of the Application, WOGC intends to seek:

1. a declaration that the terms and conditions of the Plan of Arrangement, and the procedures relating thereto, are fair to the WOGC Shareholders, both from a substantive and procedural perspective;
2. an order approving the Plan of Arrangement pursuant to the provisions of section 193 of the ABCA and pursuant to the terms and conditions of the Plan of Arrangement Agreement;
3. a declaration that the Plan of Arrangement will, upon the filing of Articles of Arrangement under the ABCA and the issuance of the proof of filing of Articles of Arrangement under the ABCA, be effective under the ABCA in accordance with its terms and will be binding on and after the Effective Date, as defined in the Plan of Arrangement; and
4. such other and further orders, declarations or directions as the Court may deem just, (collectively, the "**Final Order**").

**AND NOTICE IS FURTHER GIVEN** that the said Application is directed to be heard before Justice Corina Dario of the Court, at the Calgary Courts Centre, 601 – 5<sup>th</sup> Street SW, Calgary Alberta, Canada T2P 5P7 on April 6, 2023 at 10:00 a.m. (Calgary time) or as soon thereafter as counsel may be heard. The Application will be heard in virtual Courtroom 60 by open CISCO Webex meeting <https://albertacourts.webex.com/meetvirtualcourtroom60> If you are a non-lawyer attending this hearing remotely, **you must** complete the undertaking attached or located at: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers> For more information relating to Webex protocols and procedures, please visit: <https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the meeting via the "Cisco Webex Meetings" App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

**WOGC Shareholder or other interested party desiring to support or oppose the Application may appear at the time of the hearing virtually or by counsel for that purpose provided such WOGC Shareholder or other interested party files with the Court and serves upon WOGC on or before 5:00 p.m. (Calgary time) on April 5, 2023, a notice of intention to appear (the "Notice of Intention to Appear") setting out such WOGC Shareholder's or interested party's address for service and indicating whether such WOGC Shareholder or interested party intends to support or oppose the Application or make submissions, together with a summary of the position such person intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service on WOGC is to be effected by delivery to its solicitors at the address set forth below.**

**AND NOTICE IS FURTHER GIVEN** that, at the hearing and subject to the foregoing, WOGC Shareholders and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Plan of Arrangement. If you do not attend, either virtually or by counsel, at that time, the Court may approve or refuse to approve the Plan of Arrangement as presented, or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that the Court, by the interim order (the "**Interim Order**") of the Court dated March 3, 2023, has given directions as to the calling and holding of a special meeting of the WOGC Shareholders for the purposes of such WOGC Shareholders voting upon special resolution to approve the Plan of Arrangement and, in particular, has directed that registered WOGC Shareholders have the right to dissent under the provisions of section 191 of the ABCA, as modified by the terms of the Interim Order, in respect of the Plan of Arrangement.

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Plan of Arrangement will, if granted, constitute as the basis for an exemption from the registration requirement of the *United States Securities Act* of 1933, as amended, pursuant to section 3(a)(10) thereof with respect to the issuance of common shares of FCE to WOGC Shareholders pursuant to the Plan of Arrangement.

AND NOTICE IS FURTHER GIVEN that further notice in respect of these proceedings will only be given to those persons who have filed a Notice of Intention to Appear.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any WOGC Shareholder or other interested party requesting the same by the undermentioned solicitors for TAPC upon written request delivered to such solicitors as follows:

Solicitors for WOGC: Wolff Leia, 203, 221 10<sup>th</sup> Avenue SE, Calgary, Alberta T2G 0V9  
Attention: Gregory J. Leia  
Email: [gleia@wolffleia.ca](mailto:gleia@wolffleia.ca)  
Facsimile Number:  
(403) 265 4138

DATED at the City of Calgary, in the Province of Alberta, this 4<sup>th</sup> day of April 2023



**COURT OF KING'S BENCH OF ALBERTA**

Case Name:

Action No.:

**UNDERTAKING AND AGREEMENT OF NON-LAWYER**

I am a non-lawyer participant in the above matter before the Court of King's Bench of Alberta. I understand the Court has restricted in-person hearings in light of the COVID-19 pandemic. I further understand that, in keeping with the open-court principle of Canada's justice system, I can participate in my hearing by audioconference or videoconference.

To protect the integrity of Court proceedings, I undertake and agree not to record or rebroadcast in any manner the Court proceedings in which I participate. I acknowledge that if I breach this promise and agreement, I may be subject to legal sanction, including proceedings for civil contempt of court.

Print Name

\_\_\_\_\_  
Signature

Date

Status: party/client/self-represented

Name of Lawyer, if any

## IMPORTANT INFORMATION ABOUT THIS DISCLOSURE

No person has been authorized to provide any information or to make any representation not contained in this Information Circular, and, if provided or made, such information or representation should not be relied upon. You should assume that the information contained in this Information Circular is accurate only as of the date of this Information Circular. No securities are being offered pursuant to this Information Circular.

Capitalized terms, except as otherwise defined herein, are defined in the section entitled "**Glossary of Terms**". Except as otherwise indicated or the context otherwise requires in this Information Circular, references to "**the Issuer**", "**the Company**", "**we**", "**us**" and "**our**" refer to the Company.

## NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Information Circular includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results, and therefore are, or may be deemed to be, "**forward-looking statements**". These forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "**believes**", "**estimates**", "**anticipates**", "**expects**", "**seeks**", "**projects**", "**intends**", "**plans**", "**may**", "**will**" or "**should**", or their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Information Circular and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions because they relate to events and depend on circumstances that may or may not occur in the future. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "**Risk Factors**" in **Appendix "F"** of this Information Circular. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Information Circular.

These factors should be considered carefully, and prospective investors should not place undue reliance on the forward-looking statements. Although we base our forward-looking statements on assumptions that we believe were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, access to adequate services and supplies, access to capital and debt markets and associated costs of funds, availability of a qualified workforce, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, we caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate may differ materially from the forward-looking statements contained in this Information Circular. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this Information Circular, those results or developments may not be indicative of results or developments in subsequent periods. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Information Circular. Investors are cautioned against placing undue reliance on forward-looking statements.

Factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, include, but are not limited to, risks and uncertainties related to:

- The risks of the oil and gas industry such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- Supply and demand for oil and natural gas and fluctuations in oil and natural gas prices, foreign currency exchange rates and interest rates;
- The availability of financing opportunities, risks related to the completion of financings, the use of proceeds, anticipated cash needs, the need for additional financing and lack of operating cash flow;
- Risks associated with economic conditions, expectations regarding revenue and expenses and operations based on projections of market prices and costs;
- Ability to attract and retain personnel, dependence on management and conflict of interests with directors and other management;
- The speculative and competitive nature of the oil and gas industry and the Company's ability to compete with more established oil and gas companies;
- Uncertainty of reserves estimates and reserves life and the risks and uncertainties involving geology of oil and natural gas deposits and projections relating to production, costs and expenses;
- Liabilities inherent in oil and natural gas operations including health, safety and environmental risks in addition to lawsuits and other legal proceedings and challenges;
- The Company's ability to enter into or renew leases, the identification, acquisition and integration of other oil and gas properties or companies;
- The impact of a widespread outbreak of a contagious disease, including COVID-19 or other cases of Force Majeure which out of the Company's control;
- General economic and market factors, including commodity rates, interest rates, business competition and changes in government regulations or in tax laws;
- Regulatory developments and the regulatory environments in which the Company operates and its ability to receive regulatory approvals required to achieve the Company's business objectives; and
- Impact of the war between Ukraine and Russia.

Other risks described in this Information Circular and described from time to time in WOGC's documents filed with Canadian securities regulatory authorities. These factors should not be considered exhaustive. WOGC undertakes no obligation to publicly update or revise any forward-looking statements, except as required by applicable law.

Any forward-looking statements which we make in this Information Circular speak only as of the date of such statement, and we do not undertake, except as required by applicable law, any obligation to update such statements or to publicly announce the results of any revisions to any such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data. New factors emerge from time to time and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Please also refer to "**Risk Factors**" and "**Management's Discussion and Analysis**" in Appendix "F" Information Circular. All of the forward-looking statements made in this Information Circular are qualified by these cautionary statements.

## Glossary of Non Oil & Gas Terms

The following terms used in this Listing Statement have the meanings set forth below. Unless otherwise indicated, the defined terms in the Glossary of Defined Terms are not used in the schedules and appendices attached to this Listing Statement.

“**1454871**” means 1454871 Alberta Ltd. (formerly Batoche Oil & Gas Exploration Ltd.).

“**ABCA**” means the *Business Corporations Act* (Alberta) and the regulations made thereunder, as now in effect and as such act and regulations may be promulgated or amended from time to time.

“**Applicable Securities Laws**” means all applicable securities laws, policies, rules, and instruments of the provinces and territories of Canada and adopted by the securities regulators or regulatory authority of such jurisdictions, as such may be amended from time to time.

“**ARO**” means abandonment and remediation liabilities for well sites which are no longer economic which may be created by contract or statute.

“**Articles of Arrangement**” means the articles of arrangement filed by FCE and WOGC on December 6, 2021 (effective September 30, 2021) which resulted in WOGC becoming a reporting issuer in Alberta and British Columbia.

“**ASC**” means the Alberta Securities Commission;

“**Beneficial Shareholder**” or “**Non-Registered Shareholder**” means a FCE Shareholder that holds their FCE Shares through brokers, intermediaries, trustees, or other persons, or who otherwise do not hold their FCE Common Shares in their own name.

“**Board**” means the board of directors of WOGC.

“**Board of Directors**” means Board of Directors of WOGC.

“**BP**” means BP Canada Energy Group ULC.

“**Business Day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Calgary, Alberta.

“**CDE**” means Canadian Development Expense as such term is defined in the Tax Act.

“**CEE**” means Canadian Exploration Expense as such term is defined in the Tax Act.

“**CEO**” means chief executive officer.

“**Cequence**” means Cequence Energy Ltd.

“**CFO**” means chief financial officer.

“**CNRL**” means Canadian Natural Resources Limited.

“**Company**” means the combined businesses of WOGC, Odaat, Jadela US and FCE.

“**Court**” means the Court of Queen’s Bench of Alberta.

“**CRCE**” means Canadian Renewable and Conservation Expense as such term is defined in the Tax Act.

“**CSE**” means Canadian Securities Exchange.

“**EIIC**” means El Indio Investment Corp. (formerly Batoche Resources Ltd.).

“**Exxon**” means ExxonMobil Energy Canada.

“**FCE**” means Bloc NRG Corp. (formerly 2361990 Alberta Ltd.), a wholly owned subsidiary of FCE.

“**FCE**” means Fox Creek Energy Ltd.

“**FCE Common Shares**” means the common shares of FCE.

**“FCE/Odaat LPA”** means the loan amending agreement between WOGC, FCE, Odaat and Smoky effective January 1, 2023 amending the WOGC/Odaat LPA.

**“FCE Options”** refers to the rights as set out in option agreements granting rights to acquire FCE Common Shares pursuant to the FCE Stock Option Plan.

**“FCE Preferred Shares”** means the preferred shares of FCE.

**“FCE Private Placement”** means FCE Sale of 10,000,000 Common Shares at \$0.05/share for aggregate consideration of \$500,000 (could be pro or post a 2-1 consolidation).

**“FCE Stock Option Plan”** means the stock option plan of FCE.

**“FCE Warrants”** means the warrant rights granted by FCE enabling holders to purchase FCE Common Shares upon exercise of the warrants.

**“GLJ”** means GLJ Ltd.

**“GJLPC”** means Gregory J. Leia Professional Corporation.

**“GLJ Report”** report prepared for WOGC dated effective December 31, 2021.

**“Governmental Entity”** means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any stock exchange; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any jurisdiction, regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

**“Governmental Order”** means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Entity.

**“i3 Energy”** means i3 Energy Canada Ltd.

**“ 2021 Intercreditor Agreement”** agreement amongst TAPC, WOGC, Odaat and Smoky dated January 12, 2021 (effective January 1, 2021).

**“ 2023 Interdebtor Agreement”** agreement amongst WOGC, FCE, Odaat and Smoky dated January 1, 2023

**“Jadela US”** means Jadela Oil (US) Operating LLC, a wholly owned subsidiary of FCE.

**“Law” or “Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, rulings, ordinances, Governmental Orders or other requirements, whether domestic or foreign, including but not limited to, all applicable requirements of federal, state, provincial and municipal, city, county or other local government laws, rules and regulations, and the terms and conditions of any Permit of or from any Governmental Entity or self-regulatory authority (including the CSE), and the term **“applicable”** with respect to such Laws and in a context that refers to a Party, means such Laws as are applicable to such Party and/or its Subsidiaries or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party and/or its Subsidiaries or its or their business, undertaking, property or securities.

**“Murphy”** means Murphy Oil Company

**“NEO” or “Named Executive Officer”** means each of the following individuals:

- (a) the Company's CEO;
- (b) the Company's CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and

- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at that financial year.

“**NGTL**” means Nova Gas Transmission Ltd.

“**NGTL Pipeline**” means pipeline owned and operated by Nova Gas Transmission Ltd.

“**NGL**” means natural gas liquids.

“**NI 41-101**” means National Instrument 41-101 General Prospectus Requirements, of the Canadian Securities Administrators.

“**NI 45-106**” means National Instrument 45-106 - Prospectus Exemptions, of the Canadian Securities Administrators.

“**NI 51-101**” means National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, of the Canadian Securities Administrators.

“**NI 52-110**” means National Instrument 52-110 Audit Committees, of the Canadian Securities Administrators.

“**Odaat**” means Odaat Oil Corp, a wholly owned subsidiary of FCE.

“**Paramount**” means Paramount Resources Ltd.

“**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“**PNG**” or “**PNG rights**” means petroleum and natural gas or rights to extract petroleum and natural gas.

“**Post Payout Additional Consideration**” means as defined in Note 8 to the WOGC financial statements for the period ended December 31, 2021.

“**Principals**” means:

- (a) a person of the Company who acted as a promoter of the Company within two years before the date of this Listing Statement;
- (b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of this Listing Statement;
- (c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; or
- (d) a person or company that: (i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Listing; and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries.

“**Principal Regulator**” means the Alberta Securities Commission.

“**Securities Laws**” means any applicable provincial or territorial securities Laws in a jurisdiction of Canada, together with the rules, regulations and published policies made thereunder (including but not limited to those of the Canadian Securities Administrators) and the U.S. Securities Laws, together with all other applicable state and federal securities Laws, rules and regulations and published policies thereunder, in each case as now in effect and as they may be promulgated or amended from time to time.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Shareholders**” – “**WOGC Shareholders**” means a holder of common shares of WOGC.

“**Smoky**” means Smoky Oil & Gas Corp.



“**Spartan**” means Spartan Delta Corp.

“**SRP**” mean Alberta Site Rehabilitation Program which provides grants to oil companies to abandon and remediate wellsites.

“**Statement of Reserves**” means the NI 51-101 compliant Report on Reserve Estimation and Economic Evaluation of certain oil and gas assets of FCE effective December 31, 2021 prepared by GLJ Ltd.

“**Tax Act**” means *the Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“**TCPL**” or “**TC Energy**” means TransCanada Pipeline Ltd.

“**Tidal**” means Tidal Energy Marketers Inc.

“**Transglobe**” means Transglobe Energy Corporation.

“**TAPC/Smoky LPA**” means the loan agreement dated July 17, 2021 between TAPC and Smoky.

“**TAPC Transition Agreement**” means the agreement amongst WOGC, FCE, Odaat, Smoky, GJLPC and Cameron MacDonald dated September 30, 2021.

“**TSXV**” means the TSX Venture Exchange Inc.

“**WA G&A Cap Obligation**” means the restriction contained in the WOGC LPA and FCE/Odaat LPA which restricts the borrower to charging general and administrative expenses in excess of \$75,000 to administer the Waskahigan Assets.

“**WPA G&A Cap Obligation**” means the restriction contained in the WOGC LPA and FCE/Odaat LPA which restricts the borrower to charging general and administrative expenses in excess of \$75,000 to administer the Waskahigan Participation Assets.

“**Waskahigan Assets**” means the asset purchased from NuVista Energy Ltd by WOGC on July 31, 2017.

“**Waskahigan Acquisition**” means the acquisition of the Waskahigan Assets on July 31, 2017

“**Waskahigan Participation Assets**” means new wells drilled in the Waskahigan Assets which were not drilled as of July 31, 2017.

“**Western Lion**” means Western Lion Energy Ltd.

“**WLEL Farmout Agreement**” means the agreement dated November 15, 2010 between Western Lion and WOGC.

“**WOGC**” means Waskahigan Oil & Gas Corp.

“**WOGC Options**” means options granted by WOGC.

“**WOGC/Odaat/Smoky LPA**” means the loan and participation agreement dated January 1, 2021 between WOGC, Odaat, Smoky and 1454871 which amended the TAPC/Smoky LPA.

“**WOGC Plan of Arrangement**” means the arrangement set out under the Plan of Arrangement which is attached as Schedule “A” to the Plan of Arrangement Agreement.

“**WOGC Plan of Arrangement Agreement**” means the Plan of Arrangement Agreement dated January 1, 2023, among WOGC, FCE and Odaat, together with the schedules attached thereto, as amended or supplemented from time to time.

“**WOGC Plan of Arrangement Information Circular**” means the management information circular of the WOGC dated February 21, 2023, including all schedules hereto, and all amendments and supplements hereto.

**“WOGC Preferred Shares”** means preferred shares issued by.

**“WOGC Stock Option Plan”** means the WOGC stock option plan, as amended from time to time.

**“WOGC Warrants”** means warrants issued by WOGC.

## Glossary for Oil & Gas Terms

Certain terms used in this Information Circular in describing reserves and other oil and natural gas information are defined below. Certain other terms and abbreviations, 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. Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates as follows:

**"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.

**"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.

**"gross"** means: (a) in relation to an issuer's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the issuer; (b) in relation to wells, the total number of wells in which an issuer has an interest; and (c) in relation to properties, the total area of properties in which an issuer has an interest.

Interests in Reserves, Production, Wells and Properties

**"net"** means: (a) in relation to an issuer's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves; (b) in relation to an issuer's interest in wells, the number of wells obtained by aggregating the issuer's working interest in each of its gross wells; and (c) in relation to an issuer's interest in a property, the total area in which the issuer has an interest multiplied by the working interest owned by the issuer.

**"Proved"** reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is 90% likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

**"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 exceed the estimated proved probable reserves.

**"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, possible) to which they are assigned.

**"working interest"** means the percentage of undivided interest held by an issuer in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the issuer the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

Abbreviations			
Bbl	barrel, each barrel representing 34.972 Imperial gallons or 42 U.S. gallons	MMBOE	millions of barrels of oil equivalent
bbls/d	barrels per day	MBOE/d	thousands of barrels of oil equivalent per day
Bcf	billion cubic feet	Mcf	thousand cubic feet
BOE	barrels of oil equivalent	Mcf/d	thousand cubic feet per day
BOEPD	barrels of oil equivalent per day	MMcf/d	million cubic feet per day
BOPD	barrels of oil per day	Mbbls	thousands of barrels
MBOE	thousands of barrels of oil equivalent	MMcf	million cubic feet
Conversion Rates			
To convert from	To	Multiply by	
Mcf	Cubic metres	28.328	
cubic metres	Cubic feet	35.301	
Bbl	Cubic metres	0.159	
cubic metres	Bbl	6.290	
Metres	Feet	3.281	
Miles	Kilometres	1.609	
Hectares	Acres	2.471	

**WASKAHIGAN OIL & GAS CORP.**  
**MANAGEMENT PROXY CIRCULAR**

(Unless otherwise stated, information contained herein is given as of March 6, 2023)

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

**Solicitation of Proxies**

This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Waskahigan Oil & Gas Corp. (the "**Corporation**" or "**WOGC**") for use at the Annual General and Special Meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**" or "**WOGC Common Shares**") of the Corporation to be held at 203, 221 10<sup>th</sup> Avenue SE, Calgary, Alberta T2G 0V9 on Tuesday, April 4<sup>th</sup>, 2023 at 7:00 a.m. (Calgary time) (the "**Meeting**"), for the purposes set forth in the Notice of the Annual General and Special Meeting (the "**Notice**") accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile, electronic or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

**Appointment of Proxyholders**

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of Computershare (Attention: Proxy Department), 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not later than 12:00 noon (Toronto time) or 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for adjournment of the Meeting thereof. A registered shareholder can complete internet voting by logging on at [www.investorvote.com](http://www.investorvote.com) and entering the WEB VOTING ID NUMBER located on the address box of the Shareholder's instrument of proxy.**

The persons designated in the instrument of proxy are officers and directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

**Signing of Proxy**

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

**Revocability of Proxies**

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meeting. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON**

Except as disclosed in this Management Proxy Circular, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors, the re-pricing of the exercise price of warrants and the re-pricing of the exercise price of options.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

#### **Voting Shares and Record Date**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of first preferred shares ("**Preferred Shares**" or "**WOGC Preferred Shares**"). The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is March 3, 2023 (the "**Record Date**"). As at the Record Date, there were 13,198,868 Common Shares issued and outstanding as fully paid and non-assessable. No WOGC Preferred Shares were outstanding as of the Record Date.

#### **WOGC Common Shares**

The holders of WOGC Common Shares are entitled to notice of and to vote at the annual general and special meeting of shareholders and are entitled to one vote per WOGC Common Share. Subject to any prior rights of the holders of Preferred Shares, the holders of WOGC Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") declare and, upon liquidation, to receive such assets of the Corporation as are distributable to holders of WOGC Common Shares.

#### **Voting of WOGC Common Shares – General**

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

## Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "**CDS**").

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Proxy Circular and the instrument of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward Plan of Arrangement Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions Inc. ("**Broadridge**")) to forward Meeting Materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet based voting procedures; or
- (b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder, but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote, and if necessary, revoke their proxy in accordance with the revocation procedures set above.

## Principal Holders of Common Shares

Except as set forth below, to the knowledge of the directors and the executive officers, as at March 6, 2023, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

Name & Residence	Type of Ownership	Number of Shares	Percentage of Outstanding Shares
Gregory J. Leia Calgary, Alberta, Canada	Direct/Indirect <sup>(1)</sup>	7,634,100	57.84%

Note: (1) common shares are directly and held indirectly through RRSP accounts. El Indio Investment Corp., Gregory J. Leia Professional Corporation and Future Key Management Inc.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Financial Statements

The audited consolidated financial statements of the Corporation for the years ended December 31, 2021 and December 31, 2020 and the respective Auditors' Report thereon accompanying this Management Proxy Circular will be placed before the Shareholders at the Annual General and Special Meeting for their consideration. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to Computershare. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors of the Corporation in accordance with applicable corporate and securities legislation. Any questions regarding the financial statements may be brought forward at the Meeting.

### 2. Fix the Number of Directors

The term of office of each of the present directors expires at the Meeting. At the Meeting, the shareholders will be asked to fix the number of directors of the Corporation to be elected at the Meeting at five. Management of the Corporation proposes to nominate the four persons.

### 3. Plan of Arrangement

The WOGC Shareholders are being asked to approve by special resolution and majority of the minority (excluding the shares owned by the directors and officers of WOGC and related parties) the Plan of Arrangement amongst WOGC, FCE and Odaat. See "Approval of the Plan of Arrangement for details of the Plan of Arrangement".

Odaat needs approximately \$350,000 - \$500,000 in order to pay for: (a) its proportionate share of the tie-in pipeline from Odaat's Deep Valley wells to the CNRL pipeline which will enable Odaat to market natural gas from 5 Deep Valley wells; (b) the pipeline integrity costs to reactivate Odaat pipelines; and (c) the change of equipment at each well to meet legislative changes to emission standards; and (d) the change of equipment required by CNRL to produce into the Waskahigan CNRL plant. WOGC may not be able to raise the \$350,000-\$500,000 by equity or debt.

WOGC has been approached by a party which wishes to acquire control of WOGC and vendin a new non oil and gas asset to WOGC by way of reverse takeover. A condition to completing the reverse takeover is the spinout of the oil and gas assets by way of a plan of arrangement with FCE.

By completing the plan of arrangement, the controlling shareholders of WOGC may be able to sell their shares of WOGC and re-invest some of the net sale proceeds into FEC by way of private placement or debt convertible into common shares. Non-controlling shareholders will: (a) maintain their existing WOGC in the reverse takeover target; and (b) be issued FEC common shares as part of the arrangement.

Under applicable corporate laws, the special resolution must be approved by no less than two-thirds (66 ⅔%) of the votes cast by the holders of common shares present in person or represented by proxy at the Meeting to be effective. The special resolution provides that the Board may revoke the special resolution before the issuance of the certificate of amendment by the Director under the ABCA without the approval of the shareholders.

Under applicable securities laws, “minority approval” is required if “related parties” receive a “collateral benefit” under a “business combination” (defined to include an arrangement) or are involved in a “related party transaction”. Gregory J. Leia is the controlling shareholder, director and officer of WOGC. Gregory J. Leia is a shareholder and director of Smoky which is the secured creditor of WOGC. Tracy Zimmerman, is a shareholder, officer and director of WOGC. Gerald Roe is a shareholder and a director of WOGC. Because all of the shareholders of WOGC (including Gregory J. Leia, Tracy Zimmerman and Gerald Roe) will receive the exact same consideration there is no “collateral benefit” to Gregory J. Leia, Tracy Zimmerman or Gerald Roe.

Notwithstanding applicable securities laws, the Court of King’s Bench of Alberta, as a condition of the interim order (attached as Schedule “D”) has required that the approval be by special resolution and by the majority of the minority (excluding the shares held by directors, officers and related parties to such director and officers). As such, Gregory J. Leia, and related parties, Tracy Zimmerman and Gerald Roe shall not be entitled to vote on the resolution. The text of the resolution is as follows:

**BE IT RESOLVED** by special resolution and by majority of the minority (excluding the shares owned by the directors and officers of WOGC and related parties) that the Plan of Arrangement under section 193 of the Business Corporations Act (Alberta) (the “ABCA”) involving Waskahigan Oil & Gas Corp. (“WOGC”), Fox Creek Energy Ltd. (“FCE”), Odaat Oil Corp. (“Odaat”) and the shareholders of WOGC (the “WOGC Shareholders”), dated January 1, 2023 as amended, is hereby authorized, approved and adopted. FCE will dividend 13,196,868 common shares to the holders of 13,196,868 WOGC common shares on a one-for-one (1:1) basis as of the close of business on April 9, 2023 (or as determined by the board of directors) and upon filing of the Articles of Amendment with the Registrar of Corporations appointed under section 263 of the ABCA. Shares issued by FCE to the WOGC Shareholders shall be valued at \$0.00001 per share or aggregate value of \$1,319. If Canada Revenue Agency determines that the value of the assets of WOGC is higher than the agreed upon price then the value of the 13,916,868 shares shall increase proportionally. If WOGC challenges such determination in the Tax Court of Canada then the final determination shall be made by the Tax Court of Canada. WOGC shall reduce its stated capital or paid up capital or contributed surplus accounts by \$1,319 or the excess of the fair market value over the assumed liabilities or as determined by Canada Revenue Agency. If WOGC challenges such determination in the Tax Court of Canada then the final determination shall be made by the Tax Court of Canada. WOGC agrees to make such further and other adjustments and make such elections as are necessary to make the transaction to WOGC shareholders who receive by dividend the FCE shares pursuant to any plan of arrangement as tax free as possible. Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the WOGC shareholders or that the Plan of Arrangement has been approved by the Court of King’s Bench of Alberta, the directors of WOGC are hereby authorized and empowered without further notice to or approval of the WOGC Shareholders: (i) to amend the Plan of Arrangement, to the extent permitted by the Plan of Arrangement (with Court approval); and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Plan of Arrangement.



#### 4. Consolidation

WOGC seeks to consolidate whether the plan of arrangement is approved or implemented, if it is necessary to raise the private placement funds necessary to complete the pipeline. The text of the special resolution is as follows:

*“BE IT RESOLVED, as a Special Resolution, that the Corporation is hereby authorized to amend its Articles of Incorporation to provide that the authorized share capital of the Corporation is amended by consolidating all of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation common share for every two (2) pre-consolidation common shares. The directors may choose not to effect the consolidations. The directors may choose to consolidate on a ratio less than 2:1”*

#### 5. Name Change

It is customary for a corporation to change its name after a consolidation. The text of the special resolution is as follows:

*“BE IT RESOLVED, as a Special Resolution, that the Corporation is hereby authorized to amend its Articles of Incorporation to provide that the name of the Corporation to such name as the directors of the Corporation approve”*

#### 6. Election of the Directors

Approval of the election of the directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of directors submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such director would not be willing to serve as director if elected. Approval of the election of the final two directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person at the Meeting.

The following information concerning the proposed directors has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled <sup>(1)</sup> and percentage of total issued and outstanding
<p>GREGORY J. LEIA Calgary, Alberta Canada</p> <p>President and Chief Executive Officer and a Director</p>	<p>Mr. Leia is the President of 1454871 Alberta Ltd. (formerly Batoche Oil &amp; Gas Exploration Ltd.) and El Indio Investment Corp. both private oil and gas exploration firms. From June 2007 to May 2010, Mr. Leia was the President of Batoche Energy Corp which amalgamated with Antler Creek Energy Corp whose common shares were listed on the TSXV. Antler Creek Energy Corp changed its name to Pinecrest Energy Inc. Mr. Leia was a director of Tenth Avenue Petroleum Corp. from May 2011 to December 2021. Mr. Leia received a Bachelor of Commerce and a Bachelor of Laws from the University of Saskatchewan. Mr. Leia has practiced law in the Province of Alberta for over 40 years primarily with the law firm Wolff Leia, Calgary, Alberta.</p>	<p>May 10, 2011</p>	<p>7,634,100  (57.84%)</p>
<p>GERALD ROE <sup>(2)</sup> Calgary, Alberta Canada</p> <p>Director</p>	<p>Mr. Roe has over 46 years of experience in the upstream oil and gas industry. Mr. Roe was a director of Tenth Avenue Petroleum Corp. from May 2011 to December 2021. Mr. Roe was a Director and Chairman of the Board of GasFrac Energy Services Inc. an oil services company listed on the TSX until June 2014. Mr. Roe was the Chief Operating Officer (from January 2005 to November 2007) and the Vice-President, Operations (from May 2004 and January 2005) of Oilexo Incorporated, an oil and gas company that was listed on the TSX and the London Stock Exchange. Since October 2003, Mr. Roe has been a director of ExGen Resources Ltd. (formerly Boxxer Gold Corp.), a mining company listed on the TSXV. From May 2009 to 2013, Mr. Roe was VP Operations of Canadian Overseas Petroleum Limited, an oil and gas company listed on the TSXV. Mr. Roe received a Bachelor of Science in Mechanical Engineering from Montana State University.</p>	<p>January 12, 2021</p>	<p>40,000  (0.3%)</p>
<p>CRAIG LEGGATT <sup>(2)</sup> Calgary, Alberta Canada</p> <p>Interim CFO, Director</p>	<p>Mr. Leggatt has worked number of different capacities in the capital markets for over 15 years. Mr. Leggatt was a director of Tenth Avenue Petroleum Corp from 2014 to December 2021. His capital markets experience encompasses investigations and enforcement with the Alberta Securities Commission; senior compliance experience with full service investment dealers and an institutional boutique; and corporate finance experience in the venture capital markets wherein Mr. Leggatt was responsible for junior market deals valued in excess of \$100 million. Mr. Leggatt received a Bachelor of Arts degree from the University of Waterloo and a Bachelor of Laws degree from Queen's University. Mr. Leggatt has been a member of the Law Society of Upper Canada since 1991 (inactive) and a member of the Law Society of Alberta since 1997. Mr. Leggatt practices law with Wolff Leia an energy and securities law boutique in Calgary.</p>	<p>January 12, 2021</p>	<p>Nil  (0%)</p>

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled <sup>(1)</sup> and percentage of total issued and outstanding
TRACY ZIMMERMAN Calgary, Alberta Director	Mr. Zimmerman holds a Geological Engineering degree from the University of Saskatchewan. Mr. Zimmerman holds a Professional Geoscientist designation from APEGA. Mr. Zimmerman was a director of Tenth Avenue Petroleum Corp. from June 2019 to December 2021. Mr. Zimmerman has 34 years of experience in the oil and gas industry primarily in western Canada. Mr. Zimmerman was principal in junior startup Chevevo Energy Ltd. which was sold in 2014.	January 12, 2021	684,300  (5.18%)

**Notes:**

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors. These figures do not include any securities that are convertible into or exercisable for Common Shares. These figures are based on the number of Common Shares issued and outstanding as of the date of this Management Proxy Circular.
- (2) Member of the Audit Committee.

*Corporate Cease Trade Orders or Bankruptcies*

On May 6, 2019, the securities of the Tenth Avenue Petroleum Corp. were cease traded for failure to file the audited financial statements and management discussion and analysis for the fiscal year ended December 31, 2018. On May 15, 2019, the Corporation filed the required documents. On May 17, 2019, the cease trade was revoked. Gregory J. Leia, Craig Leggatt and Gerald Roe were directors at the time.

Other than as set out below, no proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Mr. Gerald Roe was a director of Queue Group Inc., which was ceased traded on October 1, 2002 for failure to file financial statements.

*Individual Bankruptcies*

No proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### *Penalties or Sanctions*

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### *Conflicts of Interest*

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other oil and gas issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the ABCA.

## **7. Appointment of Auditors**

Effective December 16, 2020, Crowe McKay LLP was appointed as auditors on and unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the re-appointment of Crowe MacKay LLP as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the Board of Directors of the Corporation. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the persons named in the accompanying Instrument of Proxy intend to vote FOR the resolution.**

## **8. Ratification and Re-Approval of Stock Option Plan**

Corporations that have a rolling stock option plan reserving a maximum of 10% of the issued and outstanding shares of the corporation must receive yearly shareholder approval of the stock option plan. For a summary of the Option Plan, please refer to the section herein entitled "*Incentive Awards*" or refer to **APPENDIX "I"** where the text of the Option Plan is attached in its entirety. Options to purchase Common Shares that were previously granted to directors, officers and employees of the Corporation will be deemed to be granted under the Option Plan.

The approval by Shareholders requires a favourable vote of a majority of the Common Shares voted in respect thereof at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to ratify, adopt and approve the resolutions described above.**

## **9. Other Matters**

While there no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposal that may properly before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

## PLAN OF ARRANGEMENT

### (a) Purpose of the Arrangement

The purpose of the Plan of Arrangement is to restructure WOGC by distributing 100% of the common shares of FCE to the shareholders of WOGC, in such a manner that the shareholders of WOGC will own shares in FCE directly as a separate stand alone public entity. FCE will thereby become a reporting issuer in the Provinces of British Columbia and Alberta. The Plan of Arrangement is not contingent upon FCE obtaining conditional or final approval to list the common shares of FCE on any stock exchanges. **FCE has not received conditional approval from any stock exchanges. There is no assurance that FCE will obtain conditional approval or that the FCE Common Shares will be listed and posted for trading on any stock exchanges. The FCE Common Shares may not be traded on an organized market. See "APPENDIX "H" - "Information Concerning Fox Creek Energy Ltd. After Giving Effect to the Plan of Arrangement - Risk Factors".**

The Plan of Arrangement is being proposed to facilitate: (a) a change of business by WOGC resulting from the RTO; (b) a spin out the shares of Odaat to FCE; and (c) a financing of FCE necessary to provide the working capital to build a pipeline, upgrade well site equipment and provide working capital.

Under the Plan of Arrangement each shareholder of WOGC on the FCE Share Distribution Date (as defined in the Plan of Arrangement) will receive one (1) common share of FCE for every common share held in WOGC in the aggregate of 13,198,868 FCE Common Shares at a deemed price of \$0.00001 per FCE Common Share for an aggregate deemed consideration of \$1,319. FCE will adopt the same option plan as WOGC. FCE may issue new option to the directors of FCE equal to 10% of the issued and outstanding shares of FCE. The term will be 5 years and the exercise price will be \$0.05 per share or as accepted by any exchange.

FCE proposes to raise \$500,000 ("**FCE Private Placement**") by non-brokered private placement on closing of the Plan of Arrangement and sale of the control block. FCE will use the funds to: (a) \$215,000 to build a pipeline to tie into CNRL pipeline; (b) \$135,000 in well site upgrades; and (c) \$150,000 to pay outstanding payables in order to ensure FEC post Plan of Arrangement has no debts.

All of the FCE securities issued under the private placement will be subject to a four month resale restriction and will contain a legend which will detail the resale restriction. There is no minimum subscription. In connection with this private placement, FCE will not pay any finder's fees for non-arms length subscription and 10% cash for arms length subscriptions. Subject to satisfaction of specified conditions (such as FCE closing acquisition agreements), Gregory J. Leia and Tracy Zimmerman as director and officers of FCE intend to participate in the FCE Private Placement.

WOGC has not entered into any agreement to consummate a business combination constituting a reverse takeover. The acquisition of assets or shares of another company may not constitute a fundamental change under the ABCA and corporate bylaws requiring a shareholder meeting to approve. The interim order (See Appendix "D") provides that if the approval of a reverse takeover of WOGC has been voted upon by the WOGC Shareholders at a special meeting of shareholders called for the purpose of approving the reverse takeover and the WOGC Shareholders have received the disclosure in the information circular required by corporate and securities legislation concerning the resulting issuer, then the dissent rights of the WOGC Shareholder shall be set forth in the information circular for the meeting. The interim order provides that in the event applicable corporate and securities laws and corporate bylaws permit the approval of the reverse takeover without the necessity of holding a special shareholder meeting to approve such reverse takeover, in particular by approval by sufficient written consent from WOGC Shareholders, and the reverse takeover has not been approved by the WOGC Shareholders at a meeting called for such purpose then the WOGC Shareholders shall be given another opportunity to dissent. In such case the Dissenting Shareholders written objection may be received within 30 days following: (a) the filing of the Articles of Arrangement by WOGC and FCE; (b) the press release confirming the closing of the reverse takeover transaction; (c) the closing of the reverse takeover transaction; (d) filing of a Listing Statement or other similar disclosure providing information concerning the resulting issuer; and (e) the issuance of 13,196,868 common shares of FCE ("**FCE Common Shares**") to the WOGC Shareholders.

(b) Snapshot of WOGC financial situation as of  
Arrangement.

September 30, 2022 before Plan of

The following table provides a condensed summary of the Statement of Income of WOGC for the

	WOGC 2021 Audited	WOGC Sept 30, 2022 Unaudited
<b>Oil and natural gas sales</b>	1,039,276	944,056
Production Costs	-373,973	-278,533
Royalty Costs	-211,593	-292,437
Gross Profit from Operations	453,710	373,086
Other Income	20,438	19,989
Gross Profit	474,148	393,075
General and Administrative Expenses	-297,587	-205,554
Interest	-71,948	-54,601
Income Before Accretion and Depletion	104,613	132,920
Accretion	-7,054	-2,625
Depletion	-115,648	-65,307
Loss on modification of debt (foreign exchange)	-----	28
<b>Net Income</b>	(17,123)	11,080

year ended December 31, 2021 and for the 9 months ended September 30, 2022

The following table provides a condensed summary of the Statement of Financial Position of WOGC as at December 31, 2021 and September 30, 2022

	WOGC 2021 Audited	WOGC Sept 30, 2022 Unaudited
<b>ASSETS</b>		
Cash and Cash Equivalents	18,003	0
Restricted Cash	70,000	70,000
Trade and other receivables	94,070	80,427
Short term investment	14,218	14,219
Deposits and Prepaid expenses	56,148	106,954
Total Current Assets	252,439	271,600
Oil & Gas Assets (net of depletion)	2,517,378	2,391,725
Exploration and Evaluation Assets	11,036	5,067
Restricted Investments		151,030
Restricted Cash held in Trust	211,021	213,800
<b>TOTAL ASSETS</b>	2,991,874	3,033,223
<b>LIABILITIES</b>		
Bank Indebtness		2,462
Accounts Payable and accrued liabilities	188,301	246,447
Loan Payable to Smoky	1,086,488	1,080,174
Deferred Revenue	8,223	4,792
Asset Retirement Obligation	1,327,713	1,233,541
<b>TOTAL LIABILITIES</b>	2,610,725	2,585,416
Share Capital	134,315	134,315
Contributed Surplus	559,699	559,699
Retained Earnings Deficit	(312,865)	(246,207)
<b>TOTAL EQUITY</b>	381,149	447,807

The following table provides a condensed summary of the Cash Flow of WOGC for 12 months ended December 31, 2021 and for the nine months ended September 30, 2022

	<b>WOGC 2021 Audited</b>	<b>WOGC Sept 30, 2022 Unaudited</b>
Cash Provided by Operations	(16,769)	(37,753)
Long term loan		
Repayment of Loan	(65,687)	(10,399)
Accrued Interest Paid		
Private Placement	100,000	
Cash Provided by Financing Activities		
Cash Used in Investing Activities		
Acquisition of Cash in Acquisition Activities	6,428	
Purchase of Exploration and Evaluation Assets	(5,969)	
<b>Net Change in Cash</b>	<b>18,003</b>	<b>(54,121)</b>

**(c) Snapshot of FCE assuming: (a) Plan of Arrangement is effective January 1, 2023; and (b) FCE Private Placement closes effective September 30, 2022**

The following table provided a pro forma capitalization of FCE as of January 1, 2023 assuming: (a) Plan of Arrangement is effective January 1, 2023; and (b) FCE Private Placement closes effective January 1, 2023

Category	FCE Jan 1-23	FCE Private Placement
<b>1 Issued and Outstanding Shares</b>		
(a) Public (200+ shareholders)	4,838,468	4,838,468
(b) Gregory J. Leia	7,634,100	7,634,100
(c) Tracy Zimmerman	684,300	684,300
(d) Gerald Roc	40,000	40,000
Issued and Outstanding before FCE Private Placement	13,196,868	
<b>2 FCE Private placement (\$500,000) (assuming \$0.05 per share)</b>		<b>10,000,000</b>
Issued and outstanding post FCE Private Placement		23,196,868
<b>Fully Diluted calculation</b>		
<b>3 Warrants</b>	<b>0</b>	<b>0</b>
<b>4 Options</b>	<b>0</b>	<b>0</b>
<b>Fully Diluted</b>	<b>13,196,868</b>	<b>23,196,868</b>

Notes (1) WOGC warrants do not survive into FCE - WOGC options do not survive into FCE

(2) Option representing up to 10% of the issued and outstanding shares may be issued under FCE Stock Option Plan

**(c)(i) Business of FCE Post Plan of Arrangement**

FCE will be a junior oil and gas exploration company carrying on the same business with the same assets which WOGC had prior to the Plan of Arrangement.

**(c)(ii) Auditor of FCE Post Arrangement**

Crowe MacKay LLP will be the auditors for FCE.

The following table provides a pro forma condensed summary of the Statement of Financial Position of FCE as at September 30, 2022 assuming Plan of Arrangement effective September 30, 2022 and FCE Private Placement closed September 30, 2022

<b>ASSETS (unaudited)</b>	WOGC Sept 30, 2022 Consolidated to include Odaat as a second tier subsidiary	Adjustments for: (a) Plan of Arrangement Odaat as a subsidiary of FCE and not WOGC: (b) FCE Private Placement	FCE September 30, 2022 Pro Forma
Cash: FCE Private Placement		500.000	500.000
Restricted Cash	70.000	-70.000	70.000
Trade and other receivables	80.427	-80.427	80.427
Short Term Investments	14.219	-14.219	14.219
Deposits and Prepaid expenses	106.954	-106.954	106.954
<b>Total Current Assets</b>	<b>271.600</b>	<b>-271.600</b>	<b>271.600</b>
Exploration and Evaluation Assets	5.067	-5.067	5.067
Oil & Gas Assets (net of depletion)	2,391.725	-2,391.725	2,391.725
Restricted Investments	151.030	-151.030	151.030
Restricted Cash held in Trust	213.800	-213.800	213.800
<b>Total Assets</b>	<b>3,033.223</b>	<b>-3,033.223</b>	<b>3,533.223</b>
<b>LIABILITIES</b>			
Bank Indebtedness	2.462	-2.462	2.462
Accounts Payable and accrued liabilities	246.447	-246.447	246.447
Loan Payable to Smoky	1,080.174	-1,080.174	1,080.174
Lon Term Loan			
Deferred Revenue	4.792	-4.792	4.792
Asset Retirement Obligation	1,233.541	-1,233.541	1,233.541
<b>TOTAL LIABILITIES</b>	<b>2,585.416</b>	<b>-2,585.416</b>	<b>3,085.416</b>
Share Capital (WOGC)	134.315		100
Share Capital FCE Private Placement		500.000	500.000
Contributed Surplus	559.699		0
Retained Earnings Deficit	(246.207)		0
<b>Total Equity</b>	<b>447.807</b>		<b>500.100</b>

**(c)(iii) Principal Shareholders FCE Post Arrangement**

The following Person is anticipated to beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the FCE (post Plan of Arrangement):

Name, Jurisdiction of Residence	Type of Ownership	Number and Percentage of Voting Shares Non Diluted (2)	Number and Percentage of Voting Fully Diluted (2)
Gregory J. Leia (1) Calgary, Alberta	Beneficial and of Record	7,634,100	57.84% before FCE Private Placement 32.91% after FCE Private Placement
(1) Mr. Leia will hold the shares directly and indirectly through the following related entities: Gregory J. Leia Professional Corporation, El Indio Investment Corp and Future Key Management Inc. Assumes Mr. Leia will receive 7,634,100 FCE shares from WOGS upon completion of the Plan of Arrangement. Assumes Mr. Leia does not purchase any of the FCE Private Placement			



**Snapshot of WOGC financial situation assuming: (a) Plan of Arrangement effective January 1, 2023; (b) Change of Control closed January 1, 2023**

The following table provided a pro forma capitalization of WOGC as of January 1, 2023 assuming Plan of Arrangement effective January 1, 2023 (assumes Mr. Leia and Mr. Zimmerman sell all of their shares in WOGC)

	Category	January 31, 2023	%	Post RTO	%
1	<b>Issued and Outstanding Shares</b>				
	(a) Public (300+ shareholders)	4,838,468		4,838,468	
	(b) Gregory J. Leia (and related parties)	7,634,100	57.88%	0	0%
	(c) Tracy Zimmerman	684,300	5%	0	0%
	(d) Gerald Roe	40,000		40,000	
	<b>Issued and Outstanding before Plan of Arrangement</b>	13,196,868			
	<b>Control block sales concurrent with RTO</b>				
	(a) Purchased from Gregory J. Leia			7,634,100	
	(b) Purchased from Tracy Zimmerman			684,300	
	<b>Issued and Outstanding Post RTO</b>			13,196,868	
	<b>Fully Diluted calculation</b>				
2	Warrants - None	0		0	
3	Options - None	0		0	
	<b>Fully Diluted</b>	13,196,868		13,196,868	

The following table provides a pro forma summary of the Statement of Financial Position of WOGC as at September 30, 2022 assuming Plan of Arrangement effective September 30, 2022.

ASSETS (unaudited)	WOGC Sept 30, 2022 Consolidated to include Odaat as a second tier subsidiary	Adjustments for Plan of Arrangement Odaat as a subsidiary of FCE	WOGC September 30, 2022 Pro Forma
Restricted Cash	70,000	-70,000	
Trade and other receivables	80,427	-80,427	
Short Term Investments	14,219	-14,219	
Deposits and Prepaid expenses	106,954	-106,954	
Total Current Assets	271,600	-271,600	
Exploration and Evaluation Assets	5,067	-5,067	
Oil & Gas Assets (net of depletion)	2,391,725	-2,391,725	
Restricted Investments	151,030	-151,030	
Restricted Cash held in Trust	213,800	-213,800	
Total Assets	3,033,223	-3,033,223	0
<b>LIABILITIES</b>			
Bank Indebtedness	2,462	-2,462	
Accounts Payable and accrued liabilities	246,447	-246,447	
Loan Payable to Smoky	1,080,174	-1,080,174	
Long Term Loan			
Deferred Revenue	4,792	-4,792	
Asset Retirement Obligation	1,233,541	-1,233,541	
<b>TOTAL LIABILITIES</b>	2,585,416	-2,585,416	0
Share Capital (WOGC)	134,315		134,315
Contributed Surplus	559,699		559,699
Retained Earnings Deficit	(246,207)		(246,207)
<b>Total Equity</b>	447,807		447,807

See APPENDIX "G" "Information About Waskahigan Oil & Gas Corp. Post Plan of Arrangement"

**(d)(i) Business of WOGC Post Arrangement**

The business of WOGC will be to look for and enter into a Business Combination Agreement which assets and/or a business which meets minimum TSXV or CSE listing requirements.

**(d)(ii) Auditor of WOGC Post Arrangement**

Crowe MacKay LLP will be the auditors of WOGC post Plan of Arrangement.

**(d)(iii) Principal Shareholders of WOGC Post Arrangement**

No Person is anticipated to beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the WOGC (post Plan of Arrangement). It is anticipated that Gregory J. Leia, Gregory J. Leia Professional Corporation and El Indio Investment Corp and Future Key Management Inc. will sell their shares in WOGC to arms-length third parties concurrently with the completion of the Plan of Arrangement and reverse takeover.

**(d)(iv) Delisting by CSE**

WOGC (prior to the closing of the Plan of Arrangement) will have to apply to the CSE for approval of the business combination. No application has been made to the exchange. Upon approval and closing of the Plan of Arrangement, WOGC shall have no assets. WOGC shall be no liabilities. Because WOGC will not meet CSE minimum listing or maintenance requirements, if WOGC filed the Articles of Arrangement, either:

- (a) trading in the shares of WOGC will be suspended until such time as WOGC acquires assets or otherwise meets the minimum listing requirements of the CSE if the CSE permits the extension of time; or
- (b) WOGC will be delisted from the CSE.

The CSE may delist WOGC at any time from completion of the Plan of Arrangement. The CSE is not required to grant an extension of time prior to delisting CSE pending the RTO transaction. As such, it is a condition of the Plan of Arrangement Agreement that the Plan of Arrangement not be implemented unless and until the listing of the resulting issuer has been approved by the CSE or TSXV.

WOGC Shareholders may not be entitled to vote on the proposed business combination. Notwithstanding the interim order provides dissent rights if they do not favor the business combination. There is no guarantee that WOGC will find a business combination which qualifies for any exchange. There is no guarantee that such business combination will be accepted by any exchange or if accepted the CSE impose conditions on the listing which are impossible to meet or that the shareholders will approve such business combination.

**(e) Details of the Arrangement**

The Plan of Arrangement will occur by statutory arrangement under the ABCA involving WOGC and the wholly owned subsidiary of WOGC (FCE). The principle features of the Plan of Arrangement are summarized below, and the following is qualified in its entirety by reference to the full text of the Plan of Arrangement Agreement and the Arrangement, which are incorporated by reference into this Information Circular, and copies of which are attached hereto as **APPENDIX "C"**. These items may also be reviewed at [www.sedar.com](http://www.sedar.com) under WOGC's profile.

The Plan of Arrangement shall become effective under the ABCA upon filing of the Articles of Arrangement with the Registrar of Corporations for the Province of Alberta (the "**Plan of Arrangement Effective Date**"). Pursuant to the Plan of Arrangement Agreement, the requisite documents will only be filed upon satisfaction of various conditions:

- (a) the Plan of Arrangement Agreement must be approved by the WOGC Shareholders;
- (b) the Plan of Arrangement must be approved by the Court of King's Bench of Alberta. There can be no assurance that the Court of King's Bench of Alberta will approve the Plan of Arrangement;
- (c) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Plan of Arrangement must have been obtained or received, consents from secured creditors each in a form acceptable to WOGC and FCE, including CSE approval of the Plan of Arrangement and the WOGC Private Placement. The CSE has not provided conditional approval. There can be no assurance that the CSE will provide approval;
- (d) the number of dissenting shareholders shall not exceed 15 percent of the issued and outstanding shares of WOGC;
- (e) the Plan of Arrangement Agreement must not have been terminated; and
- (f) concurrent closing of the reverse takeover of WOGC

Conditional listing approval for FCE on the CSE is not a condition precedent.

If any condition set out in the Plan of Arrangement Agreement is not fulfilled or performed, the Plan of Arrangement Agreement may be terminated, or, in certain cases, one or more of the parties thereto, as the case may be, may waive the condition in whole or in part. Management of WOGC believes that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application thereof.

WOGC expects that following the completion of the Plan of Arrangement, FCE will continue to focus on pursuing the development of the oil and gas asset. It anticipates that any additional capital required for exploration and development will be raised from the equity markets, subject to market conditions prevailing at the time. WOGC believes that the ability of FCE to raise its needed capital will be assisted by becoming a reporting issuer.

WOGC expects that following completion of the Plan of Arrangement, FCE will pursue its corporate finance investment activities focusing on oil and gas in Alberta. As a result of the Arrangement, FCE will cease to be a subsidiary of WOGC. The corporate headquarters of FCE is 203, 221 – 10th Avenue SE, Calgary, Alberta, T2G 0V9

**(f) Authority of the Board**

By passing the Plan of Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its best judgment to proceed with and cause WOGC to complete the Plan of Arrangement without any requirement to seek or obtain any further approval of the Shareholders. The Plan of Arrangement Resolution also provides that the Arrangement may be amended by the Board before or after the Meeting without further notice to the Shareholders. The Board has no intention to amend the Plan of Arrangement as of the date of this Information Circular, however, it is possible that the Board may determine in the future that it is appropriate that amendments be made.

**(g) Recommendation of the Board**

After reviewing all of the foregoing factors, the Board unanimously determined that the Plan of Arrangement is: (a) in the best interests of WOGC and is fair to the WOGC Shareholders; and (b) the Board recommends that WOGC Shareholders vote in favor of the Plan of Arrangement Resolution.

The Plan of Arrangement was determined to be fair to the WOGC Shareholders by the Board based upon the following factors, among others:

- (i) the procedures by which the Plan of Arrangement will be approved, including:
  - (A) the requirement under corporate law for approval by special resolution (two-thirds of the vote) and by majority of the minority (excluding the shares owned by the directors and officers of WOGC and related parties);
  - (B) approval by the Court after a hearing;
- (ii) the benefits to FCE of becoming a publicly listed CSE or TSXV reporting issuer as permitted by applicable securities laws;
- (iii) the opportunity for any Shareholders who are opposed to the Plan of Arrangement to exercise their rights of dissent in respect of the Arrangement and to be paid fair value for their WOGC Common Shares in accordance with the ABCA, to the extent applicable to dissenters' rights; and
- (iv) the WOGC Shareholders are not required to sell or exchange their WOGC Common Shares.

**(h) Approval by the WOGC Shareholders**

Under applicable corporate laws, the Plan of Arrangement Resolution must be approved by special resolution, being at least two-thirds of the votes cast by the WOGC Shareholders present in person or by proxy at the Meeting.

Notwithstanding the foregoing, the Plan of Arrangement Resolution will authorize the Board, prior to the shareholder meeting, without further notice, consent or approval of the Shareholders, subject to the terms of the Plan of Arrangement, to amend the Plan of Arrangement Agreement, provided such amendment does not reduce the consideration or materially effect the consideration or right of WOGC shareholders. Any amendment proposed after the shareholder meeting shall require approval of the Court. The Board may decide not to proceed with the Plan of Arrangement at any time prior to the Plan of Arrangement becoming effective pursuant to the provisions of the ABCA.

**(i) Court Approval of the Arrangement**

The Plan of Arrangement requires the approval of the Court. An interim order has been obtained prior to the Plan of Arrangement Meeting. See APPENDIX “D”. Assuming the Plan of Arrangement Resolution is approved by the WOGC Shareholders at the Meeting, the hearing for the order (the “Final Order”) of the Court approving the Plan of Arrangement is scheduled to take place at the Courthouse located at Calgary, Alberta on April 6, 2023 at 10:00am MST in virtual courtroom 60. The date and time of any adjournment will be published by press release. At this hearing, any security holder, director, auditor or other interested party of WOGC who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. The Application for the Final Order is attached to this Circular and will be filed on www.sedar.com. Anyone who would like to attend the court hearing for the Final Order should contact Gregory J. Leia either by telephone at (403) 265 4122 or by email to [gleia@wolffleia.ca](mailto:gleia@wolffleia.ca). If you are a non-lawyer attending this hearing remotely, you must complete the undertaking located here: <https://www.albertacourts.ca/qb/resources/announcements/undertaking-and-agreement-for-non-lawyers>

For more information relating to Webex protocols and procedures, please visit: <https://www.albertacourts.ca/qb/court-operations-schedules/webex-remote-hearings-protocol>

You can also join the court application via the “Cisco Webex Meetings” App on your smartphone/tablet or other smart device. You can download this via the App marketplace and join via the link provided above.

The Court has broad discretion under the ABCA when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court believes to be suitable. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Plan of Arrangement to the WOGC Shareholders.

**(j) Proposed Timetable for the Plan of Arrangement**

The anticipated timetable for the completion of the Plan of Arrangement is as follows:

Event	Date
Record Date	March 3, 2023
Interim Order	March 6, 2023
Mailout of Information Circular	March 7, 2023
Shareholder Meeting	April 4, 2023
Final Order	April 6, 2023
Final Regulator Approvals	April 30, 2023
Closing of FCE Private Placement	TBD
Filing of Materials with Register of Corporations	TBD
Distribution of FCE Shares	TBD

Notice of the actual Share Distribution Record Date and the effective date of the Plan of Arrangement will be given to the Shareholders through one or more press releases. The Effective Date of the Plan of Arrangement will be the date upon which the Arrangement becomes effective under the ABCA.

**(k) Relationship between WOGC and FCE after the closing of the Plan of Arrangement/Change of Control**

There will be an ongoing relationship between WOGC and FCE. Each company will have the same directors and officers until such time as the new directors are approved by the CSE. Subject to the election at the AGM, following the completion of the Plan of Arrangement, FCE and WOGC will have 4 directors: Gregory J. Leia, Craig Leggatt, Gerald Roe and Tracy Zimmerman.

**(l) Resale of Shares Issued Pursuant to the Plan of Arrangement**

FCE Common Shares issued to shareholders of WOGC will have a four month hold period. The issue of FCE Common Shares pursuant to the Plan of Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable securities laws, in particular section 2.11 of NI 45-106. Because FCE will not have been a reporting issuer for 4 months at the time of the distribution, without further exemption, the FCE Common Shares shall be subject to a 4 month resale restriction pursuant to NI45-102 provided the conditions set out in section 2.5 of NI 45-102 are met. Those conditions include: (a) that the trade is not a control distribution; (b) no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; (c) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (d) if the selling securityholder is an insider of the issuer the selling securityholder has no reasonable grounds to believe that the issuer is in default of securities legislation. See “Canadian Securities Law Matters – Resale Restrictions”. Under such applicable securities laws, the FCE Common Shares may be resold in Canada without hold period restrictions. The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the FCE Common Shares to ensure compliance with applicable securities requirements upon resale.

**(m) Expenses of the Plan of Arrangement**

Pursuant to the Plan of Arrangement Agreement, the costs relating to the Plan of Arrangement, including without limitation, financial, advisory, accounting and legal fees will be borne by WOGC.

**(n) Dissent Rights to the Arrangement**

Any WOGC Shareholder may send notice of dissent, under the ABCA, to WOGC in respect of the Plan of Arrangement Resolution. Non-Registered Shareholders who wish to dissent should contact their broker or other intermediary for assistance with the Dissent Right. The Dissent Right is summarized below, but the WOGC Shareholders are referred to the full text of Sections 191 of the ABCA set out in **APPENDIX “B”** attached to this Information Circular and may consult their legal counsel for a complete understanding of the Dissent Right under the ABCA. A Dissenting Shareholder who wishes to exercise his or her Dissent Right must give written notice of dissent to WOGC by depositing such notice of dissent with WOGC, or by mailing it to WOGC by registered mail at 203, 221 10<sup>th</sup> Avenue SE, Calgary, Alberta T2G 0V9 marked to the attention of the Secretary not later than the close of business on the day that is two business days before the Meeting. A WOGC Shareholder who wishes to dissent must prepare a separate notice of dissent for: (i) the Registered Shareholder, if the WOGC Shareholder is dissenting on its own behalf; and (ii) each person who beneficially owns WOGC Common Shares in the Shareholder's name and on whose behalf the Beneficial Shareholder is dissenting. To be valid, a notice of dissent must:

- (a) identify in each notice of dissent the person on whose behalf dissent is being exercised;
- (b) identify whether the dissent is to the Plan of Arrangement Resolution;
- (c) set out the number of WOGC Common Shares in respect of which the WOGC Shareholder is exercising the Dissent Right (the “**Notice Shares**”), which number cannot be less than all of the WOGC Common Shares held by the Beneficial Shareholder on whose behalf the Dissent Right is being exercised;
- (d) if the Notice Shares constitute all of the shares of which the Dissenting Shareholder is both a Registered Shareholder and Beneficial Shareholder and the Dissenting Shareholder owns no other WOGC Common Shares as a Beneficial Shareholder, a statement to that effect;
- (e) if the Notice Shares constitute all of the WOGC Common Shares of which the Dissenting Shareholder is both a Registered Shareholder and Beneficial Shareholder but the Dissenting Shareholder owns other WOGC Common Shares as a Beneficial Shareholder, a statement to that effect, and

- (i) the names of the Registered Shareholders of those other WOGC Common Shares;
  - (ii) the number of those other WOGC by each Common Shares that are held of those Registered Shareholders; and
  - (iii) a statement that Notices of Dissent are being or have been sent in respect of all those other WOGC Common Shares;
- (f) if dissent is being exercised by the Dissenting Shareholder on behalf of a Beneficial Shareholder who is not the Dissenting Shareholder, a statement to that effect, and
- (i) the name and address of the Beneficial Shareholder; and
  - (ii) a statement that the Dissenting Shareholder is dissenting in relation to all of the WOGC Common Shares beneficially owned by the Beneficial Shareholder that are registered in the Dissenting Shareholder's name.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Plan of Arrangement Resolution. A vote against the Plan of Arrangement Resolution or the execution or exercise of a proxy does not constitute a Notice of Dissent. A WOGC Shareholder is not entitled to exercise a Dissent Right with respect to any WOGC Common Shares if the Shareholder votes (or instructs or is deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Plan of Arrangement Resolution. A Dissenting Shareholder, however, may vote as a proxy for a WOGC Shareholder whose proxy required an affirmative vote, without affecting his or her right to exercise the Dissent Right.

If WOGC intends to act on the authority of the Plan of Arrangement Resolution (close the RTO), it must send a notice (the "**Notice to Proceed**") to the Dissenting Shareholder promptly after the later of:

- (a) the date on which WOGC forms the intention to proceed; and
- (b) the date on which the Notice of Dissent was received.

If WOGC has acted on the Plan of Arrangement Resolution it must promptly send a Notice to Proceed to the Dissenting Shareholder. The Notice to Proceed must be dated not earlier than the date on which it is sent and state that WOGC intends to act or has acted on the authority of the Arrangement Resolution and advise the Dissenting Shareholder of the manner in which dissent is to be completed. On receiving a Notice to Proceed, the Dissenting Shareholder is entitled to require WOGC to purchase all of the Common Shares in respect of which the Notice of Dissent was given. A Dissenting Shareholder who receives a Notice to Proceed, and who wishes to proceed with the dissent, must send to WOGC within one month after the date of the Notice to Proceed:

- (a) a written statement that the Dissenting Shareholder requires WOGC to purchase all of the Notice Shares;
- (b) the certificates representing the Notice Shares; and
- (c) if dissent is being exercised by the Shareholder on behalf of a Beneficial Shareholder who is not the Dissenting Shareholder, a written statement signed by the Beneficial Shareholder setting out whether the Beneficial Shareholder is the Beneficial Shareholder of other WOGC Common Shares and if so, setting out:
  - (i) the names of the Registered Shareholders of those other WOGC Common Shares;

- (ii) the number of those other WOGC Common Shares that are held by each of those Registered Shareholders; and
- (iii) that dissent is being exercised in respect of all of those other WOGC Common Shares, whereupon WOGC is bound to purchase them in accordance with the Notice of Dissent

WOGC and the Dissenting Shareholder may agree on the amount of the payout value of the Notice Shares and in that event, WOGC must either promptly pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that WOGC is unable lawfully to pay Dissenting Shareholders for their shares as WOGC is insolvent or if the payment would render WOGC insolvent. If WOGC and the Dissenting Shareholder do not agree on the amount of the payout value of the Notice Shares, the Dissenting Shareholder or WOGC may apply to the Court and the Court may:

- (a) determine the payout value of the Notice Shares or order that the payout value of the Notice Shares be established by arbitration or by reference to the registrar or a referee of the Court;
- (b) join in the application each Dissenting Shareholder who has not agreed with WOGC on the amount of the payout value of the Notice Shares; and
- (c) make consequential orders and give directions it considers appropriate.

Promptly after a determination of the payout value of the Notice Shares has been made, WOGC must either pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that WOGC is unable lawfully to pay Dissenting Shareholders for their shares as WOGC is insolvent or if the payment would render WOGC insolvent if the Dissenting Shareholder receives a notice that WOGC is unable to lawfully pay Dissenting Shareholders for their Common Shares, the Dissenting Shareholder may, within 30 days after receipt, withdraw his or her Notice of Dissent. If the Notice of Dissent is not withdrawn, the Dissenting Shareholder remains a claimant against WOGC to be paid as soon as WOGC is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of WOGC but in priority to the Shareholders. Any notice required to be given by WOGC or a Dissenting Shareholder to the other in connection with the exercise of the Dissent Right will be deemed to have been given and received, if delivered, on the day of delivery, or, if mailed, on the earlier of the date of receipt and the second business day after the day of mailing, or, if sent by fax or other similar form of transmission, the first business day after the date of transmittal. A Dissenting Shareholder who:

- (a) properly exercises the Dissent Right by strictly complying with all of the procedures ("**Dissent Procedures**") required to be complied with by a Dissenting Shareholder, will cease to have any rights as a Shareholder other than the right to be paid the fair value of the WOGC Common Shares in accordance with the Dissent Procedures, or
- (b) seeks to exercise the Dissent Right, but who for any reason does not properly comply with each of the Dissent Procedures required to be complied with by a Dissenting Shareholder loses such right to dissent.

A Dissenting Shareholder may not withdraw a Notice of Dissent without the consent of WOGC. A Dissenting Shareholder may, with the written consent of WOGC, at any time prior to the payment to the Dissenting Shareholder of the full amount of money to which the Dissenting Shareholder is entitled, abandon such Dissenting Shareholder's dissent to the Arrangement giving written notice to WOGC, withdrawing the Notice of Dissent, by depositing such notice with WOGC, or mailing it to WOGC by registered mail, care of its solicitors Wolff Leia at 203,221 10<sup>th</sup> Avenue SE, Calgary, Alberta T2G 0V9. **The Shareholders who wish to exercise their Dissent Right should carefully review the dissent procedures described in Section 191 of the ABCA and interim order (See APPENDIX "B" and "D") and seek independent legal advice, as failure to adhere strictly to the Dissent Right requirements may result in the loss of any right to dissent.**



**(o) What happens if the Plan of Arrangement Fails**

If the Plan of Arrangement is not approved then FCE will remain a wholly owned subsidiary of WOGC.

**SECURITIES LAW MATTERS**

**Canadian Securities Law Matters – Resale Restrictions**

**The FCE Common Shares issued to shareholders of WOGC will have a four month hold period.** The issue of FCE Common Shares pursuant to the Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable securities laws, in particular section 2.11 of NI 45-106. Because FCE will not have been a reporting issuer for 4 months at the time of the distribution, without further exemption, the FCE shares shall be subject to a 4 month resale restriction pursuant to NI45-102 provided the conditions set out in section 2.5 of NI 45-102 are met. Those conditions include: (a) that the trade is not a control distribution; (b) no unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade; (c) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (d) if the selling securityholder is an insider of the issuer the selling securityholder has no reasonable grounds to believe that the issuer is in default of securities legislation

**U.S Securities Law Matters**

FCE Common Shares to be issued to WOGC Shareholders pursuant to the Plan of Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and the issuance will be effected in reliance upon the Section 3(a)(10) exemption and exemptions or qualifications provided under the securities laws of each applicable state of the United States. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security which is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved by a court or by a governmental authority expressly authorized by law to grant such approval, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have a right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Plan of Arrangement will be considered. As of the date of the Information Circular the Court had not issued the Interim Order and subject to the approval of the Plan of Arrangement by the Securityholders, a hearing in respect of the Interim Order will be held prior to the Plan of Arrangement Meeting and a hearing for the Final Order for the Plan of Arrangement will be held at 2:00pm on April 6, 2023 (Calgary time) in virtual court room 60 (Calgary). All WOGC Securityholders are entitled to appear and be heard at the hearing for the final approval. WOGC will issue a press release announcing the dates for the Final Order application. Accordingly, the Final Order will, if granted, constitute a basis for the Section 3(a)(10) exemption with respect to the FCE Common Shares to be issued and exchanged pursuant to the Plan of Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order.

The FCE Common Shares issuable to WOGC Shareholders pursuant to the Plan of Arrangement will be freely transferable under U.S. federal securities laws, except by persons who are "affiliates" (as such term is defined under U.S. securities laws) of FCE after the Effective Date or were affiliates of FCE within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer.

Any resale of such FCE Common Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such FCE Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. If available, such affiliates (and

former affiliates) may also resell such FCE in compliance with Rule 144 under the U.S. Securities Act, including the availability of current public information regarding FCE, and compliance with the volume and manner of sale limitations, aggregation rules and notice filing requirements of Rule 144 under the U.S. Securities Act.

**The foregoing discussion is only a general overview of the requirements under the U.S. Securities Act for the resale of the FCE Common Shares, following the Effective Date. Holders of FCE are urged to seek legal advice prior to any resale or exercise, as applicable, of such securities to ensure that the resale or exercise, as applicable, is made in compliance with the requirements of applicable securities legislation.**

#### **Other Required Regulatory Approvals**

To the best knowledge of WOGC, there are no filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Entity in connection with the Arrangement except as described below and the Court's approval of the Final Order, which will be sought on or prior to April 6, 2023 and which is a condition to the completion of the Plan of Arrangement.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Wolff Leia, counsel to WOGC, the following summary describes the principal Canadian federal income tax considerations generally applicable to a WOGC Securityholder who disposes of WOGC Common Shares, as applicable, under the Plan of Arrangement and who, at all relevant times, for purposes of the Tax Act: (i) deals at arm's length with WOGC; (ii) is not affiliated with WOGC; (iii) holds the Securities as capital property; and (iv) has not entered into and will not enter into, with respect to their Securities, a "**derivative forward agreement**" as that term is defined in the Tax Act (a "**Holder**"). Generally, the Securities will be considered capital property to a person for purposes of the Tax Act provided the person does not hold such Securities in the course of carrying on a business and has not acquired such Securities in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Securityholder: (i) that is a "**specified financial institution**"; (ii) an interest in which is a "**tax shelter investment**", (iii) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution"; or (iv) that reports its "**Canadian tax results**" in a currency other than Canadian currency, each as defined in the Tax Act. Such Securityholders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act in force on the date hereof, counsel's understanding of the current administrative policies and assessing practices and policies of the Canada Revenue Agency published in writing prior to the date hereof and certain factual matters contained in an officer's certificate provided by an officer of WOGC. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative, regulatory, governmental or judicial decision or action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

**This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular WOGC Securityholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, WOGC Securityholders should consult their own tax advisors having regard to their own particular circumstances.**

## Securityholders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act the effect of which is to deem any Securities (and all other "Canadian securities", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years to be capital property. Resident Holders whose Securities might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

## Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights (a "**Resident Dissenting Shareholder**") will be deemed to have transferred such Resident Holder's Common Shares to the Purchaser in exchange for payment of the fair value of such WOGC Common Shares. A Resident Dissenting Shareholder will realize a capital gain (or capital loss) equal to the amount by which the cash received in respect of the fair value of such Common Shares less an amount in respect of interest, if any, awarded by the Court, exceeds (or is less than) the adjusted cost base of such Common Shares and any reasonable costs of disposition. The taxation of capital gains and capital losses is discussed below under the heading "*Taxation of Capital Gains and Capital Losses*". Any interest awarded by the Court to a Resident Dissenting Shareholder will be included in such Resident Holder's income for the purposes of the Tax Act.

## Dividends

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) of the FCE Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit applicable to any dividend designated by FCE as an eligible dividend in accordance with the provisions of the Tax Act. A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing WOGC's taxable income.

A Resident Holder that is "**private corporation**", as defined in the Tax Act, or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a refundable tax of 33<sup>1</sup>/<sub>3</sub>% under Part IV of the Tax Act on dividends received (or deemed to be received) on the FCE Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the taxation year. A Resident Holder that is throughout the taxation year a "**Canadian-controlled private corporation**", as defined in the Tax Act, is liable for tax, a portion of which may be refundable, on investment income, including dividends received or deemed to be received in respect of the FCE Common Shares (but not including dividends or deemed dividends that are deductible in computing taxable income).

## Dispositions

Generally, on a disposition or deemed disposition of a FCE Common Share, a Resident Holder will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the FCE Common Share immediately before the disposition or deemed disposition.

## Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a FCE Common Share may be reduced by the amount of any dividends received (or deemed to be received) by the Resident Holder on such FCE Common Share to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a FCE Common Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Holders should consult their own advisors.

A Resident Holder that is throughout the taxation year a "**Canadian-controlled private corporation**", as defined in the Tax Act, is liable for tax, a portion of which may be refundable, on investment income, including taxable capital gains realized.

## Eligibility for Investment

Based on the current provisions of the Tax Act, provided the FCE Common Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSXV) at the time of closing, the FCE Shares will, at such time, be qualified investments under the Tax Act for trusts governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), registered education savings plan, registered disability savings plan, deferred profit sharing plan or tax-free savings account ("**TFSA**"), all as defined in the Tax Act (each, a "**Deferred Plan**"), provided that, neither FCE nor any person with whom FCE does not deal at arm's length for purposes of the Tax Act is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of such a Deferred Plan.

Notwithstanding the foregoing, if the FCE Shares are a "**prohibited investment**" for the purposes of a TFSA, a RRSP or a RRIF, the holder of such TFSA or the annuitant of such RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The FCE Shares will not be a prohibited investment for a TFSA, RRSP or RRIF provided the holder or annuitant thereof, as the case may be, deals at arm's length with FCE for purposes of the Tax Act and does not have a "**significant interest**" (as defined in the Tax Act) in FCE. Generally, a holder or annuitant will have a significant interest in FCE if the holder or annuitant and/or persons or partnerships not dealing at arm's length with the holder or annuitant own directly or indirectly 10% or more of the issued shares of any class of the capital stock of FCE or any corporation related to FCE within the meaning of the Tax Act. In addition, FCE Common Shares will not be a prohibited investment if such FCE Shares are "**excluded property**" (as defined in the Tax Act) for trusts governed by a TFSA, RRSP or RRIF.

Resident Holders who will hold the FCE Common Shares in a Deferred Plan should consult their own tax advisors as to whether the FCE Common Shares will be a prohibited investment in their particular circumstances.

## **Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Securities in a business carried on in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere. Such Holders should consult their own tax advisors.

## **Dissenting Non-Resident Holders**

A Non-Resident Holder who validly exercises Dissent Rights (a "**Non-Resident Dissenting Holder**") will be deemed to have transferred such Non-Resident Holder's WOGC Common Shares to the Purchaser in exchange for payment of the fair value of the WOGC Common Shares. A Non-Resident Dissenting Holder will be considered to have disposed of the WOGC Common Shares for proceeds of disposition equal to the amount paid to such Non-Resident Dissenting Holder less an amount in respect of interest, if any, awarded by the Court, and will only be subject to tax under the Tax Act on any gain realized as a result if such shares constitute "**taxable Canadian property**", unless relief is provided under an income tax treaty or convention between Canada and the Non-Resident Holder's country of residence.

## **Dividends to Non-Resident Shareholders**

Dividends paid or credited on the FCE Common Shares or deemed to be paid or credited on the FCE Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention. For example, under the *Canada-U.S. Income Tax Convention (1980)* (the "**Convention**"), where dividends on the FCE Common Shares are considered to be paid to or derived by a Non-Resident Holder that is the beneficial owner of the dividends and is a U.S. resident for the purposes of, and is entitled to benefits in accordance with, the provisions of the Convention, the applicable rate of Canadian withholding tax is generally reduced to 15%.

## **Dispositions by Non-Resident Shareholders**

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition or deemed disposition of WOGC Common Shares or FCE Common Shares, unless the WOGC Common Shares or FCE Common Shares are "taxable Canadian property" to the Non-Resident Holder for purposes of the Tax Act and the Non-Resident Holder is not entitled to relief from Canadian taxation under an applicable income tax treaty or convention between Canada and the Non-Resident Holder's country of residence.

## **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of certain U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) of WOGC Common Shares and FCE Common Shares, arising from the Plan of Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax considerations applicable to a U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Moreover, this summary is not binding on the Internal Revenue Service (the "**IRS**") or the U.S. courts, and no assurance can be provided that the conclusions reached in this summary will not be challenged by the IRS or will be sustained by a U.S. court if so challenged. WOGC has not requested, and does not intend to request, a ruling from the IRS or an opinion from legal counsel regarding any of the U.S. federal income tax consequences of the Arrangement. Each U.S. Holder should consult its own tax advisor regarding the

U.S. federal, U.S. state and local, and foreign tax consequences of the Arrangement and the receipt, ownership and disposition of cash received in connection with the Arrangement.

This summary is based on the *Internal Revenue Code of 1986*, as amended (the "**US Tax Code**"), Treasury Regulations (final, temporary, and proposed), U.S. court decisions, published IRS rulings and published administrative positions of the IRS, and the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada-U.S. Tax Convention**"), that are applicable and, in each case, as in effect and available, as of the date of this document. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive basis and could affect the U.S. federal income tax considerations described in this summary.

For purposes of this summary, a "**U.S. Holder**" is an owner of WOGC Common Shares or FCE Common Shares, participating in the Arrangement that is: (a) an individual who is a citizen or resident of the U.S. for U.S. federal income tax purposes; (b) a corporation, or other entity classified as a corporation for U.S. federal income tax purposes, that is created or organized in or under the laws of the U.S. or any state in the U.S., including the District of Columbia; (c) an estate if the income of such estate is subject to U.S. federal income tax regardless of the source of such income; or (d) a trust if: (i) such trust has validly elected to be treated as a United States person for U.S. federal income tax purposes; or (ii) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of such trust.

This summary does not address the U.S. federal income tax considerations of the Arrangement to U.S. Holders that are subject to special provisions under the US Tax Code, including U.S. Holders: (a) that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax deferred accounts; (b) that are financial institutions, insurance companies, real estate investment trusts, or regulated investment companies or that are broker dealers, dealers or traders in securities or currencies that elect to apply a mark-to-market accounting method; (c) that have a "functional currency" other than the U.S. dollar; (d) that own Common Shares or FCE Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (e) that acquired WOGC Common Shares or FCE Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (f) that hold WOGC Common Shares or FCE Common Shares other than as a capital asset within the meaning of Section 1221 of the Code; (g) who are U.S. expatriates or former long term residents of the United States; and (h) that own, or will own after the Effective Time, directly, indirectly, or by attribution, 10% or more, by voting power or value, of the outstanding WOGC Common Shares or FCE Common Shares. U.S. Holders that are subject to special provisions under the US Tax Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. state and local, and foreign tax consequences of the Arrangement.

If an entity that is classified as a partnership (or "**pass through**" entity) for U.S. federal income tax purposes holds FCE Shares, the U.S. federal income tax consequences to such partnership (or "**pass through**" entity) and the partners of such partnership (or owners of such "**pass through**" entity) of participating in the Arrangement generally will depend on the activities of the partnership (or "**pass through**" entity) and the status of such partners (or owners). Partners of entities that are classified as partnerships (and owners of "**pass through**" entities) for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences of the Arrangement.

This summary does not address the U.S. state and local, U.S. federal alternative minimum tax, estate and gift, or foreign tax consequences to U.S. Holders of the Arrangement. Each U.S. Holder should consult its own tax advisor regarding the U.S. state and local, U.S. federal alternative minimum tax, estate and gift, and foreign tax consequences to them of the Arrangement.

**U.S. Holders are urged to consult their tax advisors with respect to the U.S. federal, state and local tax consequences and the non-U.S. tax consequences of the transaction, including the receipt of cash pursuant to the Arrangement.**

## Tax Consequences to U.S. Holders Relating to the Arrangement

### Dissenting Shareholders

Subject to the PFIC rules discussed below, a U.S. Holder who is a Dissenting Shareholder who, upon exercising Dissent Rights, disposes of WOGC Common Shares for a cash payment will recognize capital gain or loss in an amount equal to the difference, if any, between: (a) the amount of cash received; and (b) the U.S. Holder's adjusted tax basis in the WOGC Common Shares disposed of. Such gain or loss will be long term capital gain or loss if the U.S. Holder's holding period for the WOGC Common Shares is greater than one year. Any such long-term capital gain would be subject to preferential tax rates for a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to limitation. Any gain or loss that a U.S. Holder recognizes generally will be treated as U.S. source gain or loss for foreign tax credit purposes.

### *Sale or Other Taxable Disposition of FCE Shares*

Subject to the PFIC rules discussed below, upon the sale or other taxable disposition of FCE Common Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between: (a) the amount of cash plus the fair market value of any property received; and (b) such U.S. Holder's tax basis in such FCE Common Shares sold or otherwise disposed of. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the FCE Common Shares have been held for more than one year.

Gain or loss recognized by a U.S. Holder on the sale or other taxable disposition of FCE Common Shares generally will be treated as "U.S. source" for purposes of applying the U.S. foreign tax credit rules unless the gain is subject to tax in Canada and is reclassified as "foreign source" under the Canada-U.S. Tax Convention and such U.S. Holder elects to treat such gain or loss as "foreign source". Preferential tax rates may apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

### Passive Foreign Investment Company Rules

A foreign corporation generally will be considered a PFIC if, for a given tax year: (a) 75% or more of the gross income of WOGC for such tax year is passive income; or (b) 50% or more of the assets held by WOGC either produce passive income or are held for the production of passive income, based on the fair market value of such assets. With respect to sales by a corporation, "gross income" generally means sales revenues less cost of goods sold. "Passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. "Passive income" does not include any interest, dividends, rents, or royalties that are received or accrued by a corporation from a "related person", to the extent such items are properly allocable to the income of such related person that is not passive income.

For purposes of the PFIC income test and assets test described above, if a corporation owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the first corporation will be treated as if it: (a) held a proportionate share of the assets of such other corporation; and (b) received directly a proportionate share of the income of such other corporation.

**THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO U.S. HOLDERS WITH RESPECT TO THE ARRANGEMENT AND OWNERSHIP AND DISPOSITION OF WOGC COMMON SHARES OR FCE COMMON SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR OWN PARTICULAR CIRCUMSTANCES.**

## **RISK FACTORS**

In evaluating whether to approve the Arrangement Resolutions, Shareholders should carefully consider the following risk factors.

### *Termination of the Plan of Arrangement Agreement*

The Plan of Arrangement Agreement may be terminated WOGC in certain circumstances. Accordingly, there is no certainty, nor can WOGC and FCE provide any assurance, that the Plan of Arrangement Agreement will not be terminated by WOGC before the completion of the Plan of Arrangement. Failure to complete the Plan of Arrangement could negatively impact the trading price of the WOGC Common Shares.

### *Conditions Precedent and Requirement/ Regulatory Approvals*

There can be no certainty that all conditions precedent to the Plan of Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. The completion of the Plan of Arrangement is subject to a number of conditions precedent, some of which are outside of the control of WOGC, including the approval of the Shareholders, receipt of Regulatory Approvals, approval from the Court, conditional listing and consent from the secured creditor of WOGC. There is no certainty, nor can WOGC provide any assurance, that these conditions will be satisfied. If for any reason the Plan of Arrangement is not completed, the market price of the Shares WOGC may be affected. Moreover, a substantial delay in obtaining satisfactory approvals could adversely affect the business, financial condition or results of operations of WOGC or result in the Plan of Arrangement not being completed.

### *Failure to obtain Stock Exchange Listing for FCE Securities*

It is not a condition of the completion of the Plan of Arrangement that FCE Common Shares be approved for listing by the TSXV or CSE. There is no guarantee that the TSXV or CSE will approve the listing of the FCE Common Shares will trade on any stock exchange. A failure to list the FCE Common Shares on a stock exchange could result in the determination that the FCE Common Shares are not qualified investments under the Tax Act for deferred plans. In the event that the Plan of Arrangement is completed, but FCE fails to meet or maintain the conditions for listing of the FCE Common Shares, then holders of FCE Common Shares may have significant difficulty trading their FCE Common Shares.

### *Risks Relating to WOGC*

If the Plan of Arrangement is not completed, WOGC will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. WOGC currently faces potentially unsustainable debt levels, lack of financial flexibility and limited access to new capital. See **APPENDIX “F” “Information Concerning Waskahigan Oil & Gas Corp Before Giving Effect to the Plan of Arrangement”**

## **INFORMATION CONCERNING WOGC POST PLAN OF ARRANGEMENT**

FCE will carry on the same business of WOGC immediately prior to the closing of the arrangement. WOGC will have no assets. WOGC’s sole business will be to seek a Business Combination target which meets CSE listing requirements. Attached as **APPENDIX “G”** is a summary of the information relating to WOGC after giving effect to the Plan of Arrangement.

## **INFORMATION CONCERNING FCE POST PLAN OF ARRANGEMENT**

FCE will carry on the same business of WOGC immediately prior to the closing of the arrangement. Attached as **APPENDIX “H”** is a summary of the information relating to FCE post Plan of Arrangement.



## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

Executive Compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers"). The Named Executive Officers of the Corporation for the most recently completed financial year are Gregory J. Leia, President and Chief Executive Officer from May 11, 2011. Tracy Zimmerman was the Chief Financial Officer of TAPC from June 2019 to December 2021 and CFO of WOGC from January 2021. There were no other Named Executive Officers for the year ending on December 31, 2021, as no other employees earned in excess of \$150,000 in 2021. Named Executive Officers are also eligible to participate in the Corporation's stock option plan (the "**WOGC Option Plan**") as described herein.

### *Philosophy and Objectives*

As the Corporation does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors. The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings for Shareholders. The Board of Directors set the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors rely primarily on their own experience and knowledge.

### *Compensation*

Compensation provided to Named Executive Officers consists of: (i) base compensation; (ii) other compensation; and (iii) stock options granted pursuant to the Option Plan. Employment or management agreements entered into with Named Executive Officers provide that the salary or other compensation is subject to normal periodic review on or about the anniversary date of any such agreement. In addition to the salary or other compensation, the Board of Directors may from time to time pay a bonus to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance. Pursuant to the Option Plan, the Board of Directors, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and Shareholders' interests in the long term. The Corporation emphasizes stock options in executive compensation as they allow the Named Executive Officers to share in corporate results in a manner that is relatively cost-effective despite the effects of treating stock options as a compensation expense.

**Compensation of Gregory J. Leia, President**

Mr. Leia was not paid a salary by the Corporation. Mr. Leia practices law, through a professional corporation, in association with other lawyers and administrative staff under the trade name “Wolff Leia”. Wolff Leia billed the Corporation the sum of \$170,978 inclusive of all fees, disbursements, other charges and GST for the fiscal year ending December 31, 2021 almost all of which was billed by Mr. Leia at an hourly rate of \$250 plus GST for Mr. Leia’s services to WOGC and TAPC. for legal fees for the fiscal year ending December 31, 2020 (\$104,675) and December 31, 2019 (\$114,640) billed to TAPC. During the fiscal years ended December 31, 2021, Mr. Leia did not receive any other compensation from WOGC for his role as an officer of WOGC nor did he receive compensation for his role as a director of WOGC. During the fiscal years ended December 31, 2020 and December 31, 2019, Mr. Leia did not receive any other compensation from TAPC for his role as an officer of TAPC nor did he receive compensation for his role as a director of TAPC. For a summary of compensation paid to Mr. Leia in respect of the years ended December 31, 2021, December 31, 2020 and December 31, 2019 please refer to the Summary Compensation Table below.

**Compensation of Craig Leggatt**

For a summary of compensation paid to Mr. Leggatt in respect of the years ended December 31, 2021 (WOGC), December 31, 2020 (TAPC) and December 31, 2019 (TAPC) please refer to the Summary Compensation Table below.

**Compensation of Tracy Zimmerman, Chief Financial Officer**

Mr. Zimmerman was not paid a salary by the Corporation nor did he received any executive compensation as interim CFO or director. Oilrac Enterprises Inc, a related party, charged consulting fees \$29,326. [for year] For a summary of compensation paid to Mr. Zimmerman in respect of the years ended December 31, 2021 (WOGC), December 31, 2020 (TAPC) and December 31, 2019 (TAPC) please refer to the Summary Compensation Table below. The following table sets forth information concerning the total compensation paid for the nine months ended September 30, 2022 (unaudited) and during the years ended December 31, 2021, 2020 and 2019 to the Named Executive Officers.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission <sup>(1)(2)</sup> (\$)	Bonus (\$)	Committee or Meeting Fees <sup>(3)(4)</sup> (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Gregory J. Leia CEO and Director	09-22	148,250	Nil	Nil	Nil	Nil	148,250
	2021	170,978	Nil	Nil	Nil	Nil	170,978
	2020	104,624	Nil	Nil	Nil	Nil	104,624
	2019	114,640	Nil	Nil	Nil	Nil	114,640
Craig Leggatt Director	09-22	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Gerry Roe Director	09-22	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Tracy Zimmerman CFO	09-22	10,400	Nil	Nil	Nil	Nil	10,400
	2021	4,889	Nil	Nil	Nil	Nil	4,889
	2020	29,326	Nil	Nil	Nil	Nil	29,326
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Leia became CEO on May 11, 2011. The monies paid to Mr. Leia were paid in the form of legal fees billed by Wolff Leia and are included in the sums recorded by Mr. Leia. The figures include fees, disbursement, other charges and GST. Actual fees billed were: 170,978 2021, \$104,625 in 2020; and \$114,640 in 2019.

(2) Mr. Leggatt became a director in 2014 and was interim CFO from May 2016 to June 2019.

(3) Mr. Zimmerman became CFO of TAPC in June 2019 and CFO for WOGC in January 2021. Debts accrued to Oilrac Enterprises Inc, a related party to Mr. Zimmerman were for geophysical consulting services to the issuer as an independent contractor and not an employee.

### **Incentive Awards *Outstanding Share-Based Awards and Option-Based Awards***

The Corporation's Option Plan was approved by the Shareholders of the Corporation in December 2021. The Option Plan has been established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract to and retain in the employ of the Corporation, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The following is a summary of the material terms of the Option Plan and is qualified in its entirety by the full text of the Option Plan, which is attached hereto as **APPENDIX "I"**

- The aggregate number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in the Corporation.
- Under the Option Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12-month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12-month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12-month period.
- The exercise price for options granted under the Option Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the CSE.
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to the Corporation.
- Options granted under the Option Plan are non-assignable, except by will or by the laws of descent and distribution.

No share-based (as opposed to option-based) awards have been granted to the Corporation's Named Executive Officers for fiscal period ended December 31, 2021, December 31, 2022 or to March 6, 2023.

*Incentive Awards – Value Vested or Earned During the Year*

The following table summarizes the value of options held by Named Executive Officers that vested: (a) during the years ended December 31, 2021, December 31, 2022; (b) for the 9 month period ended September 30, 2022; and (c) for the period from October 1, 2022 to March 6, 2023.

<u>Name and Principal Position</u>	<u>Option-Based Awards – Value Vested During the Year (\$)<sup>(1)</sup></u>	<u>Share-Based Awards – Value Vested During the Year (\$)<sup>(2)</sup></u>	<u>Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)</u>
<i>No directors received incentive awards</i>	Nil	Nil	Nil

**Pension Plan Benefits**

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

**Termination and Change of Control Benefits**

Pursuant to the terms of the WOGC Option Plan, in the event the optionholder resigns his employment, a consultant's contract terminates, or if an optionholder is terminated without cause, the optionholder may exercise such part of the option as is exercisable immediately prior to the time of such termination within a period which is the earlier of the normal expiry date of the option and 90 days following such resignation or termination and all unexercised options of the optionee will immediately terminate forthwith without further notice. If the optionee reaches the mandatory age of retirement or his services cease due to permanent disability, the optionholder may exercise such part of the option as is exercisable immediately prior to the time of retirement or cessation within a period which is the earlier of the normal expiry date of the option and 6 months following the date of retirement or cessation of services and all unexercised options of the optionee will immediately terminate forthwith without further notice. In the event of the death of the optionee, any options which the optionee could have exercised immediately prior to death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the option and six months of the optionee's death and all unexercised options of the optionee will immediately terminate forthwith without further notice. All options which remain unvested will vest and become fully exercisable by the optionee for 30 days following the consummation of a change of control. Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

**Compensation of Directors**

The Corporation has no standard arrangement pursuant to which directors of the Corporation are compensated by the Corporation for their services in their capacity as directors, however, all Board members are reimbursed for expenses incurred as part of their role as directors. Further, the Board of Directors may provide consulting fees to the directors as the Board sees fit. Each director who is not otherwise a full-time employee of the Corporation is eligible to receive stock options of the Corporation.

The following table summarizes all amounts of compensation provided to the directors, in their capacities as directors, during the year ended December 31, 2021, December 31, 2022 and to March 6, 2023.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Gregory J. Leia <sup>(1)(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Roc <sup>2*</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Craig Leggatt <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tracy Zimmerman	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) For a description of all compensation paid to Mr. Leia please refer to the sections herein entitled "Compensation of Gregory J. Leia, President", "Summary Compensation Table" and "Incentive Awards".
- (2) Messrs. Gregory Leia, Gerald Roc, Craig Leggatt and Tracy Zimmerman were appointed to the Board of Directors of WOGC effective May 10, 2011, January 12, 2021, January 12, 2021 and January 12, 2021 respectively.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	-	-	1,319,686
Equity compensation plans not approved by securityholders	-	-	-
<b>Total</b>	-	-	1,319,686

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed in this Management Proxy Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

Mr. Leia is an officer, director and shareholder of El Indio Investments Corp., El Indio Investment Corp. entered into a series of transactions with WOGC with respect to Maverick County, Texas assets of WOGC in 2011. El Indio Investment Corp owns a 7.5% working interest in the El Indio #1H wellbore and surface equipment and has a 7.5% obligation for abandonment and remediation. Mr. Leia, indirectly through, Future Key Management Inc., owns 65% of Smoky which has lent money to TAPC pursuant to a loan and participation agreement dated July 31, 2017"). Mr. Leia is 100% owner of 1454871 which had entered into a farmout agreement with TAPC as of July 31, 2017. On May 15, 2019, the agreement was terminated retroactive to July 31, 2017 and reactivated on September 18, 2020 and terminated on December 31, 2020.

## MANAGEMENT CONTRACTS

The Corporation does not have in place any management contracts between the Corporation and any directors or officers and there are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

## CORPORATE GOVERNANCE

Please see the attached **APPENDIX "L"** for information on the Corporation's Corporate Governance (Form 58-101F2).

## AUDIT COMMITTEE

### *Audit Committee Charter*

The Charter of the Corporation's Audit Committee is attached to this Management Proxy Circular as **APPENDIX "M"**.

### *Composition of the Audit Committee*

The following are the members of the Committee as of the date of this Management Proxy Circular:

<b>Name</b>	<b>Independent</b> <sup>(1)</sup>	<b>Financially literate</b> <sup>(2)</sup>
<b>Gerald Roe</b>	Yes	Financially literate
<b>Craig Leggatt</b>	No	Financially literate

**Notes:**

(1) As defined in Multilateral Instrument 52-110 ("**MI 52-110**").

(2) As defined by MI 52-110.

### *Education and Experience*

Mr. Roe has over 44 years of experience in the upstream oil and gas industry. Mr. Roe was a Director and Chairman of the Board of GasFrac Energy Services Inc. an oil services company listed on the TSX until June 2014. Mr. Roe was the Chief Operating Officer (from January 2005 to November 2007) and the Vice-President, Operations (from May 2004 and January 2005) of Oilsexco Incorporated, an oil and gas company that was listed on the TSX and the London Stock Exchange. Since October 2003, Mr. Roe has been a director of ExGen Resources Ltd. (formerly Boxxer Gold Corp.), a mining company listed on the TSXV. From May 2009 to 2013, Mr. Roe was the VP Operations of Canadian Overseas Petroleum Limited, an oil and gas company listed on the TSXV. Mr. Roe received a Bachelor of Science in Mechanical Engineering in 1965 from the Montana State University.

Mr. Leggatt has had a number of different capacities in the capital markets for over 15 years. His capital markets experience encompasses investigations and enforcement with the Alberta Securities Commission; senior compliance experience with full-service investment dealers and an institutional boutique; and corporate finance experience in the venture capital markets wherein Mr. Leggatt was responsible for junior market deals valued in excess of \$100 million. Mr. Leggatt received a Bachelor of Arts degree from the University of Waterloo and a Bachelor of Laws degree from Queen's University. Mr. Leggatt has been a member of the Law Society of Upper Canada since 1991 (inactive) a member of the Law Society of Alberta since 1997. Mr. Leggatt practices law with Wolff Leia in Calgary.

### ***Audit Committee Oversight***

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### ***Reliance on Certain Exemptions***

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

### ***Pre-Approval Policies and Procedures***

The Committee has not adopted specific policies and procedures for the engagement of non-audit services as described below under the heading "External Auditors", however it is within the mandate of the Audit Committee to arrange for the engagement of such services.

### ***External Auditor Service Fees (By Category)***

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees</b>	<b>Tax Fees<sup>(2)</sup></b>	<b>All Other Fees</b>
2021 WOGC	\$65,000	Nil	Nil	Nil
2020 TAPC	\$25,000	Nil	Nil	Nil

**Notes:**

- (1) Fees associated with the audit of the financial statements.
- (2) Fees incurred for the preparation of the Corporation's income tax returns and the filing of returns.

### ***Exemption***

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at [www.sedar.com](http://www.sedar.com). Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at [www.sedar.com](http://www.sedar.com) or which may be obtained upon request from the Corporation at 203, 221-10<sup>th</sup> Avenue SE, Calgary, Alberta, T2G 0V9.

## APPENDIX "A"

### PLAN OF ARRANGEMENT RESOLUTION

#### BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Plan of Arrangement under section 193 of the *Business Corporations Act* (Alberta) (the "**ABCA**") involving Waskahigan Oil & Gas Corp. ("**WOGC**"), Fox Creek Energy Ltd. ("**FCE**"), Odaat Oil Corp. ("**Odaat**") and the shareholders of WOGC (the "**WOGC Shareholders**"), dated January 1, 2023 as amended, as attached as Schedule "A" hereto is hereby authorized, approved and adopted. Shares issued by FCE to the WOGC Shareholders shall be valued at \$0.00001 per share or aggregate value of \$1,319. FCE will dividend 13,196,868 common shares to the holders of 13,196,868 WOGC common shares on a one-for-one (1:1) basis as of the close of business on April 9, 2023 ("**Record Date**") (or as determined by the board of directors) and upon filing of the form prescribed by the Registrar of Corporations appointed under section 263 of the ABCA, FCE will become a standalone public entity. If Canada Revenue Agency (and such determination is confirmed by a court) determines that the value of the assets of WOGC is higher than the agreed upon price then the value of the 13,916,868 shares shall increase proportionally. WOGC shall reduce its stated capital or paid up capital or contributed surplus accounts by \$1,319 or the excess of the fair market value over the assumed liabilities (if it is determined by Canada Revenue Agency and as confirmed by the courts). WOGC agrees to make such further and other adjustments and make such elections as are necessary to make the transaction to WOGC shareholders who receive by dividend the FCE shares pursuant to any plan of arrangement as tax free as possible.
2. Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the WOGC shareholders or that the Plan of Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of WOGC are hereby authorized and empowered without further notice to or approval of the WOGC Shareholders: (i) to amend the Plan of Arrangement, to the extent permitted by the Plan of Arrangement; and (ii) subject to the terms of the Plan of Arrangement Agreement, not to proceed with the Plan of Arrangement;
3. Any one director or officer of WOGC be and is hereby authorized and directed for and on behalf of WOGC to execute, under the corporate seal of WOGC or otherwise, and to deliver to the Registrar under the ABCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Plan of Arrangement; and
4. Any one director or officer of WOGC be and is hereby authorized and directed for, on behalf of, and in the name of WOGC to execute or cause to be executed, under the corporate seal of WOGC or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.



## APPENDIX "B"

### ALBERTA BUSINESS CORPORATIONS ACT PROVISIONS

#### Court-approved arrangements

**193(1)** In this section, "arrangement" includes, but is not restricted to,

- (a) an amendment to the articles of a corporation,
  - (b) an amalgamation of 2 or more corporations,
  - (c) an amalgamation of a body corporate with a corporation that results in an amalgamated corporation subject to this Act,
  - (d) a division of the business carried on by a corporation,
  - (e) a transfer of all or substantially all the property of a corporation to another body corporate in exchange for property, money or securities of the body corporate,
  - (f) an exchange of securities of a corporation held by security holders for property, money or other securities of the corporation or property, money or securities of another body corporate that is not a take-over bid as defined in **section 194**,
  - (g) a liquidation and dissolution of a corporation,
  - (h) a compromise between a corporation and its creditors or any class of its creditors or between a corporation and the holders of its shares or debt obligations or any class of those holders, or
  - (i) any combination of the foregoing.
- (2)** An application may be made to the Court by a corporation or a security holder or creditor of a corporation for an order approving an arrangement in respect of the corporation.
- (3)** If an arrangement can be effected under any other provision of this Act, an application may not be made under this section unless it is impracticable to effect the arrangement under that other provision.
- (4)** In connection with an application under this section, the Court, unless it dismisses the application,
- (a) shall order the holding of a meeting of shareholders or a class or classes of shareholders to vote on the proposed arrangement,
  - (b) shall order a meeting of persons who are creditors or holders of debt obligations of the corporation or of options or rights to acquire securities of the corporation, or any class of those persons, if the Court considers that those persons or that class of persons are affected by the proposed arrangement,
  - (c) may, with respect to any meeting referred to in clause (a) or (b), give any directions in the order respecting
    - (i) the calling of and the giving of notice of the meeting,
    - (ii) the conduct of the meeting,
    - (iii) subject to subsection (6), the majority required to pass a resolution at the meeting, and
    - (iv) any other matter it thinks fit, and
  - (d) may make an order appointing counsel to represent, at the expense of the corporation, the interests of the shareholders or any of them.
- (5)** The notice of a meeting referred to in subsection (4)(a) or (b) must contain or be accompanied with
- (a) a statement explaining the effect of the arrangement, and
  - (b) if the application is made by the corporation, a statement of any material interests of the directors of the corporation, whether as directors, security holders or creditors, and the effect of the arrangement on those interests.
- (6)** An order made under subsection (4)(c)(iii) in respect of any meeting may not provide for any majority that is less than the following:
- (a) in the case of a vote of the shareholders or a class of shareholders, a majority of at least 2/3 of the votes cast by the shareholders voting on the resolution;
  - (b) in the case of a vote of creditors or a class of creditors, a majority in number representing at least 2/3 of the amount of their claims;
  - (c) in the case of a vote of the holders of debt obligations or a class of those holders, a majority in number representing at least 2/3 of the amount of their claims;
  - (d) in the case of a vote of holders of options or rights to acquire securities, the majority that would be required under clause (a) or (c) if those holders had acquired ownership of the securities.
- (7)** Notwithstanding anything in subsections (4) to (6), if a resolution required to be voted on pursuant to the order under subsection (4) is in writing and signed by all the persons entitled to vote on the resolution,

- (a) the meeting required to be held by the order need not be held, and
- (b) the resolution is as valid as if it had been passed at a meeting.

**(8)** Repealed **2014 c17 s57**.

**(9)** After the holding of the meetings required by an order under subsection (4) or the submission to it of written resolutions that comply with subsection (7), the Court shall hear the application and may in its discretion

- (a) approve the arrangement as proposed by the applicant or as amended by the Court, or
- (b) refuse to approve the arrangement,

and make any further order it thinks fit.

**(10)** After an order referred to in subsection (9)(a) has been made, the corporation shall send to the Registrar

- (a) a copy of the order,
- (b) articles of arrangement in the prescribed form,
- (c) articles of amalgamation or a statement of intent to dissolve pursuant to **section 212** in the prescribed form, if applicable, and
- (d) the documents required by **sections 20** and **113**, if applicable, and the Registrar shall file them.

**(11)** On filing any documents referred to in subsections (10)(b) and (c), the Registrar shall issue the appropriate certificate in accordance with **section 267**.

**(12)** An arrangement becomes effective

- (a) on the date shown in the certificate issued pursuant to subsection (11), or
- (b) if no certificate is required to be issued pursuant to subsection (11), on the date the documents are

filed pursuant to subsection (10).

**(13)** An arrangement as approved by the Court is binding on the corporation and all other persons.

**APPENDIX "C"**  
**ARRANGEMENT AGREEMENT**

THIS AGREEMENT is dated as of the 1<sup>st</sup> day of January 2023

**AMONGST:**

Waskahigan Oil & Gas Corp., a company existing under the Business Corporations Act (Alberta)  
("WOGC")

and

Fox Creek Energy Ltd., a company existing under the Business Corporations Act (Alberta) and a wholly-owned subsidiary of Waskahigan Oil & Gas Corp  
("FCE")

and

Odaat Oil Corp., a company existing under the Business Corporations Act (Alberta) and a wholly-owned subsidiary of Fox Creek Energy Ltd.  
("Odaat")

**WHEREAS:**

- A. WOGC wishes to reorganize its business by completing a spin-off of its wholly-owned subsidiary, FCE, in consideration for shares of FCE, following which it will then transfer 100% of the shares of FCE to the WOGC shareholders; and
- B. The transaction will be completed by way of a statutory arrangement under the Business Corporations Act (Alberta), subject to the terms and conditions hereinafter contained.

NOW THEREFORE in consideration of the covenants and agreements hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

**ARTICLE 1**  
**DEFINITIONS, INTERPRETATION AND SCHEDULES**

**1.1** Definitions

In this Agreement

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended;

"**Agreement**" means this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not any particular section, article, schedule or other portion hereof;

"**Arrangement**" means the arrangement of the Parties pursuant to the ABCA on the terms and conditions set forth in the Plan of Arrangement;

**"Arrangement Resolution"** means the special resolution in respect to the Arrangement at the WOGC Meeting;

**"Business Day"** means any day, other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

**"Circular"** means the management information circular to be prepared and sent to the WOGC Shareholders in connection with the WOGC Meeting;

**"Court"** means the Court of King's Bench of Alberta;

**"Dissenting Shareholder"** means a WOGC Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its WOGC Shares in accordance with the Interim Order, the Final Order and the Plan of Arrangement;

**"Dissenting Shares"** means the WOGC Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

**"Effective Date"** means the Business Day following the date of the Final Order, the date that Arrangement shall become effective under the ABCA;

**"Exchange"** means the Canadian Securities Exchange ("CSE") or TSX Venture Exchange ("TSXV");

**"Final Order"** means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Governmental Entity"** means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**"IFRS"** means International Financial Reporting Standards as issued by the IASB applicable to publicly accountable enterprises under applicable securities laws;

**"Interim Order"** means an interim order of the Court concerning the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the WOGC Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Laws"** means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Entity;

**"Parties"** means WOGC, FCE and Odaat and **"Party"** means any one of them;

**"Person"** includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

**"Plan of Arrangement"** means the plan of arrangement substantially in the form and content annexed as Schedule "A" hereto and any amendment or variation thereto made in accordance with this Agreement;

**"Registrar"** means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

**"Securities Authorities"** means all securities regulatory authorities with jurisdiction over the affairs of the Parties;

**"Taxes"** means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including, without limitation, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes,

environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada and Quebec Pension Plan premiums, employer health taxes, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest, fines and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing or that may become payable in respect thereof; and liability for any of the foregoing as a transferee or successor, guarantor or surety or in a similar capacity under any contract, arrangement, agreement, understanding or commitment (whether written or oral);

**"Tax Act"** means the *Income Tax Act* (Canada);

**"Tax Returns"** means all returns, schedules, elections, forms, notices, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;

**"Termination Date"** means September 30, 2023 or such later date as may be agreed upon by the Parties;

**"WOGC Meeting"** means the special meeting of the WOGC Shareholders to be held on April 4, 2023 or such other date as may be deemed advisable by the board of directors of WOGC, and any adjournment(s) or postponement(s) thereof;

**"WOGC Shareholders"** means the holders of WOGC Shares;

**"WOGC Shares"** means the common shares in the capital of WOGC;

In addition, words and phrases used herein and defined in the ABCA shall have the same meaning herein as in the ABCA unless the context otherwise requires.

## **1.2 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections, subsections, paragraphs, and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder", and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section, or other portion hereof and include any agreement, schedule, or instrument supplementary or ancillary hereto or thereto.

## **1.3 Number and Gender**

In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and the word person and all words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture, or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

**APPENDIX  
C-3**

#### **1.4 Date for any Action**

If the date on which any action is required to be taken hereunder by any party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

#### **1.5 Statutory References**

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

#### **1.6 Currency**

All references to money in this Agreement are expressed in the lawful currency of Canada.

#### **1.7 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

#### **1.8 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties hereto waive any provision of Law which renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision hereof or any part thereof which is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof which it replaces.

#### **1.9 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

**APPENDIX  
C-4**

## **1.10 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule "A" - Plan of Arrangement

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Initial Court Proceeding**

As soon as is reasonably practicable after the date of execution of this Agreement, and if deemed advisable, WOGC shall file with the Court, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the WOGC Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution. Upon receipt of the Interim Order, WOGC, FCE and Odaat, will proceed to carry out the terms of the Interim Order as soon as practicable, to the extent applicable to each.

### **2.2 Information Circular and WOGC Meeting**

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order, the ABCA, the securities laws and any other applicable laws, WOGC shall:

- (a) prepare the Circular and cause such circular to be mailed to the WOGC Shareholders and filed with all applicable regulatory authorities in all jurisdictions where the same are required to be mailed and filed; and
- (b) call and convene the WOGC Meeting.

### **2.3 Final Court Proceeding**

Provided all necessary approvals for the Arrangement Resolution are obtained from the WOGC Shareholders, upon the completion of the Meeting WOGC shall forthwith submit the Arrangement to the Court for approval and apply for the Final Order.

### **2.4 Arrangement Procedure**

Unless this Agreement is terminated pursuant to the provisions herein, upon issuance by the Court of the Final Order and subject to the conditions precedent in Article 5, the Arrangement shall be carried out substantially on the terms set forth in the Plan of Arrangement, subject to such changes as may be mutually agreed to in writing by the Parties on the advice of their respective legal, tax, and financial advisors, and closing of the Arrangement shall proceed in accordance with Section 2.5.

**APPENDIX  
C-5**

## **2.5 Closing**

The Parties convene at such other time as may be agreed upon, on the Effective Date for the purposes of closing and giving effect to the Arrangement. Upon closing, the transactions comprising the Arrangement shall occur and shall be deemed to have occurred without any further act or formality in the order set out in the Plan of Arrangement on closing, each Parry shall deliver:

- (a) all documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour set forth in Article 5 herein.

## **ARTICLE 3 COVENANTS**

### **3.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, WOGC, FCE and Odaat, respectively, will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from any third parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

### **3.2 Covenants Regarding Execution of Documents**

WOGC, FCE and Odaat respectively, will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

**APPENDIX  
C-6**



**ARTICLE 4**  
**REPRESENTATIONS AND WARRANTIES**

**4.1 Representations and Warranties**

Each Party hereby represents and warrants to the other Parties that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder,
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of (i) any provision of its constituting or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or is pending or proposed in respect of it.

**ARTICLE 5**  
**CONDITIONS PRECEDENT**

**5.1 Mutual Conditions**

The obligations of the Parties to complete the transactions contemplated hereby are subject to fulfillment of the following conditions on or before the Effective Date or such other time as is specified below:

- (a) the Arrangement Resolution shall have been passed by the WOGC Shareholders at the WOGC Meeting in accordance with the Arrangement provisions, the ABCA, the constating documents of WOGC, the Interim Order, if any, applicable securities regulations, and the requirements of any applicable regulatory authorities;
- (b) the Final Order shall have been granted in form and substance satisfactory to each of WOGC, FCE and Odaat acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties on appeal or otherwise;
- (c) there shall be not be in force any order or decree restraining, enjoining or prohibiting the consummation of the transactions contemplated by this Agreement and the Arrangement, or that would result in a judgment or assessment of damages, directly or indirectly, relating to the transactions contemplated herein that is materially adverse;
- (d) all approvals shall have been obtained and all other consents, waivers, permits, orders and approvals of any Governmental Entity or other Person, and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Arrangement, the failure of which

to obtain or the non expiry of which would be materially adverse to any Party, or materially impede the completion of the Arrangement, shall have been obtained or received on terms reasonably satisfactory to each Party;

- (e) this agreement shall not have been terminated under Section 6.2;
- (f) there shall be no greater than 15% of WOGC shareholders who dissent under the ABCA;
- (g) the shares issuable under the Arrangement shall be eligible for issuance pursuant to a prospectus exemption and shall not be subject to resale restrictions in Canada other than in respect of restrictions applicable to sales of control block shares, seasoning periods and requirements of general application;
- (h) consent of Smoky Oil & Gas Corp (“Smoky”);
- (i) Novation of the Loan Participation Agreement dated July 31, 2017 amongst Smoky and 1454871 Alberta Ltd wherein: (i) FCE is added as a party to the Loan and Participation Agreement in addition to WOGC and Odaat; (ii) wherein FCE agrees to pay the debt owing by WOGC and Odaat to Smoky; (iii) FEC agrees to secure the debt owing to Smoky by a general security agreement charging all of the present and future acquired assets of FCE; (iv) Smoky releases WOGC from the debt; and (v) Smoky discharges the security registered against WOGC;
- (j) Payment of unchallenged payables on closing (where possible) and holdbacks for challenged liabilities (where possible); and
- (k) Concurrent closing of a reverse takeover of WOGC approved by the Exchange

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by any of WOGC, FCE and Odaat any time without prejudice to such Party's right to rely on any other of such conditions. If any of the said conditions precedent shall not be satisfied or waived as aforesaid on or before the date required for the performance thereof, any one of WOGC, FCE and Odaat may rescind and terminate this Agreement by written notice to the other Parties and the rescinding Party shall have no other right or remedy.

## **5.2 Merger of Conditions**

The conditions set out in Section 5.1 shall be conclusively deemed to have been satisfied, waived or released upon the Effective Date and the depositing of an entered copy of the Final Order with FCE records office.

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**ARTICLE 6**  
**GENERAL MATTERS**

**6.1 Amendment**

This Agreement may, at any time and from time to time before the holding of the WOGC Meeting, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of their respective shareholders provided that no such amendment reduces or materially adversely affects the consideration to be received by a WOGC Shareholder or rights of a WOGC Shareholder without approval by the WOGC Shareholders, given in the same manner as required for the approval of the Arrangement Resolution or as may be ordered by the Court. This Agreement may, at any time and from time to time after the holding of the WOGC Meeting with the approval of the Court unless the amendment or modification is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Parties or any former WOGC Shareholder, WOGC Shareholder, as the case may be.

**6.2 Termination**

This Agreement may be terminated in accordance with Section 5.1 or by mutual agreement of the Parties at any time prior to the Effective Date, in each case without further action on the part of the WOGC Shareholders. This Agreement will terminate automatically if the Arrangement has not been effected by the Termination Date. The right of any Party to terminate this Agreement shall be extinguished upon the occurrence of the Effective Date.

**6.3 Expenses**

All costs and expenses of the transactions contemplated hereby, including legal fees, accounting, financial advisory fees, regulatory filing fees, all disbursements by advisors and printing and mailing costs shall be paid by WOGC.

**6.4 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to the other Party shall be in writing and may be given by delivering same or sending same by facsimile transmission or by delivery addressed to the Party to which the notice is to be given at its address set out below or such other address as a Party may, from time to time, advise to the other Party by notice in writing made in accordance with this section. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a business day, if not, then on the next succeeding business day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless received after 4:00 p.m. at the point of delivery in which case it shall be deemed to have been given and received on the next business day as follows:

if to WOGC:

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Waskahigan Oil & Gas Corp.  
203, 221 – 10<sup>th</sup> Avenue SE  
Calgary, Alberta  
T2G 0V9

if to FCE:

Fox Creek Energy Ltd.  
203, 221 – 10<sup>th</sup> Avenue SE  
Calgary, Alberta  
T2G 0V9

if to Odaat:

Odaat Oil Corp.  
203, 221 – 10<sup>th</sup> Avenue SE  
Calgary, Alberta  
T2G 0V9

### **6.5 Third Party Beneficiaries**

The Parties intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties.

### **6.6 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each Party hereby attorns to the exclusive jurisdiction of the Courts of the Province of Alberta sitting in the City of Calgary, in respect of all matters arising under or in relation to this Agreement.

### **6.7 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

### **6.8 Enurement and Assignment**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is personal to the Parties and may not be assigned by any Party without the prior written consent of the other Party. For greater certainty, a change of control shall be deemed to be an assignment in respect of which such prior written consent shall be required.

### **6.9 Execution in Counterparts**

This Agreement may be executed in counterparts and delivered by electronic methods of communication, and each electronic signature shall be deemed to be an original and all counterparts collectively shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.  
**Waskahigan Oil & Gas Corp.**

***Signed “Gregory J. Leia”***

Per \_\_\_\_\_  
Gregory J. Leia, CEO  
Authorized Signatory

**Fox Creek Energy Ltd.**

***Signed “Gregory J. Leia”***

Per \_\_\_\_\_  
Gregory J. Leia, CEO  
Authorized Signatory

**Odaat Oil Corp.**

***Signed “Gregory J. Leia”***

Per \_\_\_\_\_  
Gregory J. Leia, CEO  
Authorized Signatory

**PLAN OF ARRANGEMENT  
ARTICLE 1**

**DEFINITIONS AND INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement the following capitalized words and terms shall have the following meanings:

"**ABCA**" means the *Business Corporations Act*, (Alberta), as amended or replaced from time to time;

"**Arrangement**", "herein", "hereof", "hereto", "hereunder" and similar expressions mean and refer to the proposed arrangement involving WOGC, FCE Odaat and the WOGC Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"**Arrangement Agreement**" means the arrangement agreement among WOGC, FCE and Odaat dated January 1, 2023 and all amendments thereto;

"**Arrangement Provisions**" means Part 15 of the ABCA;

"**Arrangement Resolution**" means the special resolution in respect to the Arrangement and other related matters to be considered at the WOGC Meeting;

"**Business Day**" means any day other than Saturday, Sunday and a statutory holiday in the Province of Alberta;

"**Circular**" means the management information circular to be sent to the WOGC Shareholders in connection with the WOGC Meeting;

"**Court**" means the Court of King's Bench of Alberta;

"**Effective Date**" means the Business Day following the date of the Final Order, the date that Arrangement shall become effective under the ABCA;

"**FCE**" means Fox Creek Energy Ltd., a company incorporated under the ABCA;

"**FCE Distribution Shares**" means the FCE Shares that are to be distributed to the WOGC Shareholders pursuant to Section 2.4;

"**FCE Shareholder**" means the holder of FCE Shares (which shall be WOGC until the completion of the Plan of Arrangement);

"**FCE Shares**" means the common shares of FCE;

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**"Final Order"** means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Interim Order"** means an interim order of the Court concerning the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the WOGC Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**"Odaat"** means Odaat Oil Corp., a private company incorporated under the ABCA;

**"Parties"** means WOGC, FCE and Odaat and "Party" means any one of them;

**"Plan"** or **"Plan of Arrangement"** means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and the Arrangement Agreement;

**"Registrar"** means the Registrar of Companies for the Province of Alberta duly appointed under the ABCA;

**"Share Distribution Record Date"** means the Record Date for the distribution of the FCE Distribution Shares, which date establishes the WOGC Shareholders who will be entitled to receive FCE Shares pursuant to this Plan of Arrangement;

**"Tax Act"** means the *Income Tax Act* (Canada), as amended;

**"Transfer Agent"** means Computershare Trust Company;

**"WOGC"** means Waskahigan Oil & Gas Corp., a company incorporated under the ABCA;

**"WOGC/FCE/Odaat Debt"** means the debt outstanding by FCE and Odaat to WOGC effective January 1, 2023;

**"WOGC Meeting"** means the special meeting of WOGC Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

**"WOGC Shareholder"** means a holder of WOGC Shares;

**"WOGC Shares"** means the common shares of WOGC;

**"WOGC Shareholders"** means the holders of WOGC common shares;

## **1.2 Interpretation Not Affected by Headings**

The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

## **1.3 Article References**

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Plan of Arrangement

## **1.4 Number and Gender**

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders; and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof).

## **1.5 Capitalized Terms**

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Arrangement Agreement.

## **1.6 Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties falls on a day that is not a Business Day, such action is required to be taken on the next succeeding day which is a Business Day.

## **1.7 Currency**

All references to currency in this Plan of Arrangement are to Canadian dollars.

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## **ARTICLE 2 ARRANGEMENT**

### **2.1 Arrangement Agreement and Effective Date**

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement as it may be amended and in accordance with the directions of the Court. The Arrangement as set forth in the Plan of Arrangement will become effective on the Effective Date in accordance with the terms thereof and hereof.

### **2.2 Conditions Precedent**

The implementation of this Plan of Arrangement is expressly subject to the fulfillment and/or waiver by the Party or Parties entitled of the conditions precedent set put in the Arrangement Agreement.

### **2.3 Binding Nature**

The Arrangement shall become final and conclusively binding on the WOGC, FCE, Odaat and the WOGC Shareholders on the Effective Date.

### **2.4 Arrangement Procedure**

On the Effective Date the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding any other provisions hereof, but subject to the provisions of Article 3:

- (a) FCE shall effect a share split of its 100 common shares issued and outstanding such that there are 13,196,868 common shares of FCE owned by WOGC immediately prior to effecting the Plan of Arrangement;
- (b) WOGC shall exchange the WOGC/FEC/Odaat Debt for 13,196,868 FEC Shares (“**FEC Distribution Shares**”);
- (c) WOGC shall transfer the FEC Distribution Shares to the WOGC Shareholders as a dividend:
  - (i) WOGC shall transfer the FEC Distribution Shares to each WOGC Shareholder on the basis of 1 FEC Distribution Share for every 1 WOGC Shares held as of the Share Distribution Record Date; and
  - (ii) each holder of FEC Distribution Shares shall be added to the central securities register of FCE.

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## **2.5 Valuation of Shares**

The shares issued by FEC to the shareholders of WOGC shall be valued at \$0.0001 (aggregate value \$1,319) and WOGC shall reduce its stated capital or paid up capital by \$1,319. The parties agree that if Canada Revenue Agency (and such determination is confirmed by a court) determines that the value of the assets of the Vendor is higher than the agreed upon price then the value of the 13,196,868 shares shall increase proportionally. The Vendor shall reduce its stated capital or paid up capital or contributed surplus accounts by the excess of the fair market value over the assumed liabilities (if it is determined by Canada Revenue Agency and as confirmed by the courts). The parties agree to make such further and other adjustments and make such elections as are necessary to make the transaction to the WOGC shareholders who receive by dividend the FEC shares pursuant to any plan of arrangement as tax free as possible.

## **2.6 Fractional Shares**

Notwithstanding Section 2.4(b) and (e), no fractional FEC Shares shall be distributed to the WOGC Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any FEC Distribution Shares not distributed as a result of such rounding shall be dealt with as determined by the board of directors of WOGC in its absolute discretion.

## **2.7 Valid Issuance of Shares**

All shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the ABCA.

## **2.8 Further Acts**

Notwithstanding that the transactions or events set out in this Article 2 occur and shall be deemed to occur in the order herein set out without any further act or formality, each of WOGC, FCE and Odaat agree to make, do and execute or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required by it in order to further document or evidence any of the transactions or events set out in this Article 2 including, without limitation, any resolutions of directors authorizing the issue, transfer or cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor and any necessary additions to or deletions from share registers.

## **2.9 Trades after the Share Distribution Record Date**

WOGC Shares traded after the Share Distribution Record Date shall not carry any right to receive a portion of the FEC Distribution Shares.

## **2.10 Consolidation of WOGC Shares**

If WOGC consolidates its common shares on a 2:1 basis such that there are 6,598,434 post consolidated shares, then there shall be 6,598,434 FEC Distribution shares which shall be distributed to WOGC Shareholders on a 1:1 basis.

**ARTICLE 3**  
**DISSENTING SHAREHOLDERS**

- 3.1 Notwithstanding Article 2 hereof, holders of WOGC Shares may exercise rights of dissent (the "**Dissent Right**") in connection with the Arrangement pursuant to the Interim Order, if any, and in the manner set forth in the ABCA (appended to the Information Circular for the WOGC Meeting) (collectively, the "**Dissent Procedures**").
- 3.2 WOGC Shareholders who duly exercise Dissent Rights with respect to their WOGC Shares ("**Dissenting Shares**") and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to WOGC for cancellation immediately before the Effective Date; or
  - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting WOGC Shareholder and shall receive FEC Distribution Shares on the same basis as every other non-dissenting WOGC Shareholder.
- 3.3 If a WOGC Shareholder exercises the Dissent Right, WOGC shall on the Effective Date set aside and shall not distribute that portion of the FEC Distribution Shares that is attributable to the WOGC Shares for which the Dissent Right has been exercised. If the dissenting WOGC Shareholder is ultimately not entitled to be paid for their Dissenting Shares, WOGC shall distribute to such WOGC Shareholder his, her or its pro rata portion of the FEC Distribution Shares. If a WOGC Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then WOGC shall retain the portion of the Distributed WOGC Shares attributable to such WOGC Shareholder (the "**Non-Distributed Shares**"), and the Non-Distributed Shares shall become assets of WOGC and shall be dealt with as determined by the board of directors of WOGC in its absolute discretion.

**ARTICLE 4**  
**AMENDMENTS**

- 4.1 Subject to Paragraph 4.4, the Parties may amend, modify and/or supplement this Plan of Arrangement if made following the WOGC Meeting, provided that each such amendment, modification and/or supplement must be:
- (a) set out in writing;
  - (b) filed with the Court and approved by the Court; and
  - (c) communicated to holders of FEC Shares, WOGC Shares, as the case may be, if and as required by the Court.

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- 4.2 Any amendment, modification or supplement to this Plan of Arrangement may be made by the parties at any time prior to the WOGC Meeting with or without any other prior notice or communication, provided such amendment does not reduce the consideration or materially adversely effect the consideration or rights of WOGC shareholders and if so proposed and accepted by the persons voting at the WOGC Meeting (other than as may be required under the Interim Order, if any), shall become part of this Plan of Arrangement for all purposes.
- 4.3 Any amendment, modification or supplement to this Plan of Arrangement made prior to the Meeting which reduces the consideration or materially effects the consideration or rights of WOGC shareholders shall require Court approval.
- 4.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by all of the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Parties or any former WOGC Shareholder, WOGC Shareholder, as the case may be.

## **ARTICLE 5**

### **REFERENCE DATE AND TERMINATION**

- 5.1 This Plan of Arrangement is dated for reference the date first written in the Arrangement Agreement.
- 5.2 At any time up until the time the Final Order is made, the Parties may mutually determine not to proceed with this Plan of Arrangement, or to terminate this Plan of Arrangement, notwithstanding any prior approvals given at the WOGC Meeting. In addition to the foregoing, this Plan of Arrangement shall automatically, without notice, terminate immediately and be of no further force or effect, upon the termination of the Arrangement Agreement in accordance with its terms.

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Court File Number 2301-02480

Court COURT OF KINGS'S BENCH OF ALBERTA

Judicial Centre CALGARY

Matter **IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT, RSA 2000, c B-9, AS AMENDED***

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING WASKAHIGAN OIL & GAS CORP., FOX CREEK ENERGY LTD., ODAAT OIL CORP AND THE SECURITYHOLDERS OF WASKAHIGAN OIL & GAS CORP**

Document INTERIM ORDER

Address for Service and Contact **WOLFF LEIA**  
Barristers & Solicitors  
Information of Party Filing this Document 203, 221 – 10<sup>th</sup> Avenue SE  
Solicitor: Gregory J Leia  
Telephone: 403-265-4122  
Facsimile: 403-265-4138  
Email: gleia@wolffleia.ca  
File Number: 42798

**DATE ON WHICH ORDER WAS PRONOUNCED:** March 6, 2023

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice Corina Dario

**LOCATION OF HEARING:** Calgary, Alberta

**UPON** the Originating Application (the "**Originating Application**") of Waskahigan Oil & Gas Corp. ("**WOGC**"), Fox Creek Energy Ltd. ("**FCE**") and Odaat Oil Corp. ("**Odaat**") (WOGC, FCE and Odaat are collectively referred to as the "**Applicants**");

**AND UPON** reading the Originating Application, the affidavits of Tracy Zimmerman, sworn February 22, 2023 ("**February 22 Affidavit**") and the documents referred to therein;

**AND UPON HEARING** counsel for the Applicants;

**FOR THE PURPOSES OF THIS ORDER:**

- (a) the capitalized terms not defined in this Order (the “**Order**”) shall have the meanings attributed to them in the information circular of the Applicants (“**Information Circular**”) which is sent to shareholders and filed on www.sedar.com; and
- (b) all references to “Arrangement” used herein mean the arrangement as set forth in the plan of arrangement (“**Plan of Arrangement**”) attached as **Schedule “A”** to the arrangement agreement (the “**Arrangement Agreement**”), which Arrangement Agreement is attached as **Appendix C** of the Information Circular.

**IT IS HEREBY ORDERED THAT:**

**General**

1. The Applicants shall seek approval of the Plan of Arrangement as described in the Information Circular by holders (the “**Securityholders**” or “**WOGC Shareholder**”) of the common shares of WOGC (“**WOGC Common Shares**”) in the manner set forth below.

**The Meeting**

2. The Applicants shall call and conduct a special meeting (the “**Meeting**”) of Securityholders on or about April 4, 2023. At the Meeting, the Securityholders will consider and vote upon a resolution to approve the Plan of Arrangement substantially in the form attached as Appendix “A” to the Information Circular (the “**Arrangement Resolution**”) and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.
3. A quorum at the Meeting shall be 5% of the issued and outstanding WOGC Common Shares.

4. Each Shareholder entitled to be voted at the Meeting will entitle the holder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.
5. The record date for Securityholders entitled to receive notice of and vote at the Meeting shall be March 4, 2023 (the “**Record Date**”). Only Securityholders whose names have been entered on the register of WOGC Common Shares as at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting provided that, to the extent a Securityholder transfers the ownership of any WOGC Common Shares after the Record Date and the transferee of those WOGC Common Shares produces properly endorsed common shares certificates or otherwise establishes ownership of such WOGC Common Shares and demands, not later than 10 days before the Meeting, to be included on the list of WOGC Common Shares entitled to vote at the Meeting, such transferee will be entitled to vote those WOGC Common Shares at the Meeting.
6. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of WOGC in effect at the relevant time, the Information Circular, the rulings and directions of the Chair of the Meeting, this Order and any further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the ABCA or the articles or by-laws of WOGC, the terms of this Order shall govern.

#### **Conduct of the Meeting**

7. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxy holders, the Applicant’s directors and officers and its auditors, the Applicant’s legal counsel, representatives and legal counsel of other parties to the Plan of Arrangement, and such other persons who may be permitted to attend by the Chair of the Meeting.

8. The number of votes required to pass the Arrangement Resolution shall be:
  - (a) not less than two-thirds of the votes cast by Securityholders present in person or represented by proxy at the Meeting; and
  - (b) a simple majority of the votes cast by Securityholders present in person or represented by proxy at the Meeting after excluding:
    - (i) the votes cast by those persons whose votes are required to be excluded in accordance with Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*; and
    - (ii) the votes cast by WOGC directors and officers (Gregory J. Leia, Craig Leggatt, Tracy Zimmerman and Gerald Roe) for WOGC Common Shares owned, legally or beneficially, by WOGC directors and officers or parties related to such directors and officers (including Gregory J. Leia Professional Corporation, El Indio Investment Corp and Future Key Management Inc.)
9. To be valid, a proxy must be deposited with Wolff Leia, Barristers & Solicitors, Counsel for the Applicants or Computershare Trust Company as Transfer Agent of WOGC in the manner described in the Information Circular.
10. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.
11. The Applicants are authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicants deem advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicants determine is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as the context allows.



## **Amendments to the Plan of Arrangement**

12. The Applicants are authorized to make such amendments, revisions or supplements to the Arrangement, **prior to the Meeting**, as they may together determine necessary or desirable, provided that:
- (a) such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Arrangement Agreement and Plan of Arrangement; and
  - (b) provided that no such amendment reduces or materially adversely affects the consideration to be received by a WOGC Shareholder or rights of a WOGC Shareholder

The Plan of Arrangement so amended, revised or supplemented shall be deemed to be the Plan of Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

13. The Arrangement may not be amended or modified at any time and from time to time after the holding of the Meeting unless with the approval of the Court provided that the Arrangement may be amended or modified if the amendment or modification is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Applicants or any former WOGC Shareholders, or current WOGC Shareholder, as the case may be.

## **Amendments to Meeting Materials**

14. The Applicants are authorized to make such amendments, revisions or supplements (“**Additional Information**”) to the Information Circular, form of proxy (“**Proxy**”), notice of the Meeting (“**Notice of Meeting**”) and Originating Application (“**Originating Application**”) as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicants. Without limiting the generality of the foregoing, if any material change or material fact arises between the date of this Order and the date of the Meeting, which change or fact, if known prior to mailing

of the Information Circular, would have been disclosed in the Information Circular, then:

- (a) the Applicants shall advise the Securityholders of the material change or material fact by disseminating a news release (a “**News Release**”) in accordance with applicable securities laws; and
- (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicants shall not be required to deliver an amendment to the Information Circular to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

### **Dissent Rights**

- 15. The WOGC Shareholders are, subject to the provisions of this Order and the Plan of Arrangement, accorded the right to dissent under section 191 of the ABCA with respect to the Arrangement Resolution and the right be paid the fair value of their WOGC Common Shares by WOGC in respect of which such right to dissent was validly exercised.
- 16. (a) If the approval of a reverse takeover of WOGC is subsequently voted upon by the WOGC Shareholders at a special meeting of shareholders called for the purpose of approving the reverse takeover and the WOGC Shareholders have received the disclosure in the information circular required by corporate and securities legislation concerning the resulting issuer, then the dissent rights of the WOGC Shareholder shall be set forth in the information circular for the meeting.
- (b) In the event applicable corporate and securities laws permit the approval of the reverse takeover without the necessity of holding a special shareholder meeting to approve such reverse takeover, in particular by approval by sufficient written consent from WOGC Shareholders, and the reverse takeover has not been approved by the WOGC Shareholders at a meeting called for such purpose, then the WOGC Shareholders shall be given another opportunity to dissent, as further described in paragraph 17.

This Order does not address approval of, or other elements of, the subsequent reverse takeover of WOGC by a third party, other than to ensure WOGC Shareholders are accorded dissent rights pursuant to paragraph 16.

### **Deadline for Exercise of Dissent Rights**

17. In order for a WOGC Shareholder (a “**Dissenting Shareholder**”) to exercise a right to dissent under section 191 of the ABCA:
  - (a) for the purpose set out in paragraph 15 above, the Dissenting Shareholder’s written objection to the Arrangement Resolution must be received by the Applicants, care of its solicitors, Wolff Leia, not later than 7:00 a.m. MST time) on Friday March 31, 2023 or on the day that is 2 business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened or held, as the case may be;
  - (b) for the purposes set out in paragraph 16(b) above, the Dissenting Shareholders written objection may be received within 30 days following:
    - (i) the filing of the Articles of Arrangement by WOGC and FCE;
    - (ii) the press release confirming the closing of the reverse takeover transaction;
    - (iii) the closing of the reverse takeover transaction;
    - (iv) filing of a Listing Statement, or other similar disclosure providing information concerning the resulting issuer; and
    - (v) the issuance of 13,196,868 common shares of FCE (“**FCE Common Shares**”) to the WOGC Shareholders.
18. A vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under clause 17(a) herein.

19. In order to be able to dissent a Dissenting Shareholder shall not have voted his or her WOGC Common Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution.
20. A Shareholder may not exercise the right to dissent in respect of only a portion of the Shareholder's Shares, but may dissent only with respect to all of the WOGC Common Shares held by the Shareholder.
21. The exercise of such right to dissent must otherwise comply with the requirements of section 191 of the ABCA, as modified and supplemented by this Order and the Plan of Arrangement.
22. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Plan of Arrangement shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Securityholders and shall be paid to the Dissenting Shareholders by the WOGC as contemplated by the Plan of Arrangement and this Order.
23. The fair value of the WOGC Common Shares shall be the average weighted trading price of the WOGC Common Shares on the Canadian Stock Exchange for the 30 calendar days prior the date upon which the Arrangement Resolution is approved.
24. The Plan of Arrangement shall become effective and binding upon Securityholders upon the filing of the Articles of Arrangement with the Registrar of Corporations for the Province of Alberta ("**Arrangement Effective Date**").
25. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 17(a) are:
  - (a) deemed to be entitled to be paid the fair value of their WOGC Common Shares;
  - (b) deemed to have transferred such WOGC Common Shares as of the Arrangement Effective Date, without any further act or formality and free and clear of all liens, claims and encumbrances to WOGC in exchange for the fair value of the WOGC Common Shares; or

- (c) if for any permitted reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their WOGC Common Shares then such WOGC Shareholder shall be deemed to have participated in the Plan of Arrangement on the same basis as a non-dissenting Shareholder and such WOGC Common Shares will be deemed to be exchanged for the consideration under the Plan of Arrangement,

but in no event shall the Applicants, or any other person be required to recognize such WOGC Shareholders as holders of WOGC Common Shares after the Arrangement Effective Time, and the names of such WOGC Shareholders shall be removed from the register of WOGC Common Shares.

- 26. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 17(b) and have received FCE Common Shares pursuant to the Arrangement are:
  - (a) deemed to be entitled to be paid the fair value of their WOGC Common Shares and FCE Common Shares;
  - (b) the consideration payable for the WOGC Common Shares and FCE Common Shares is the same as the consideration payable for the WOGC Common Shares as set out in Paragraph 23;
  - (c) deemed to have transferred such WOGC Common Shares and FCE Common Shares as of the Arrangement Effective Date, without any further act or formality and free and clear of all liens, claims and encumbrances to WOGC or FCE in exchange for the fair value of the WOGC Common Shares and FCE Common Shares; and

- (e) the Applicants or any other person shall not be required to recognize such WOGC Shareholders as holders of WOGC Common Shares or FCE shareholders as holders of FCE Common Shares after the Arrangement Effective Time, and the names of such WOGC Shareholders and FCE Shareholders shall be removed from the register of WOGC Common Shares and FCE Common Shares.
27. Subject to further order of this Court, the rights available to Shareholders under the ABCA and the Plan of Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Shareholders with respect to the Arrangement Resolution.
28. Notice to the Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA and the Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 29 of this Order.

**Notice**

29. The Information Circular, substantially in the form attached as Exhibit “A” to the February 22 Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of the Meeting, the Proxy, the Originating Application and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the “**Meeting Materials**”), shall be sent to those Securityholders who hold common shares, as of the Record Date, the directors of the Applicants, by one or more of the following methods:
- (a) in the case of registered Securityholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of the Applicants as of the Record Date not later than 21 days prior to the Meeting;

- (b) in the case of non-registered Securityholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54 - 101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer*; and
  - (c) in the case of the directors and auditors of the Applicants, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting.
30. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Securityholders, the directors and auditors of the Applicants of:
- (a) the Originating Application;
  - (b) this Order; and
  - (c) the Notice of the Meeting.

### **Final Application**

31. Subject to further order of this Court, and provided that the Securityholders have approved the Plan of Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicants may proceed with an application for a final Order of the Court approving the Arrangement (the “**Final Order**”) on April 6, 2023 at 10:00am (MST time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the articles of arrangement, the Applicants, all Securityholders and all other persons affected will be bound by the Plan of Arrangement in accordance with its terms.

32. Any Securityholder or other interested party (each an “**Interested Party**”) desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicants, on or before 5:00pm (MST time) on April 5, 2023, a notice of intention to appear (“**Notice of Intention to Appear**”) including the Interested Party’s address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicants, Wolff Leia.
33. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 32 of this Order, shall have notice of the adjourned date.

**Leave to Vary Interim Order**

34. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

*Signed “Justice Corina Dario”*

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Justice of the Court of King’s  
Bench of Alberta



**APPENDIX "E"**  
**WASKAHIGAN OIL & GAS CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**Post Implementation of Plan of Arrangement dated March 24, 2021**  
**YEAR ENDED DECEMBER 31, 2021**

## Independent Auditors' Report

To the Shareholders of Waskahigan Oil & Gas Corp

### Opinion

We have audited the consolidated financial statements of Waskahigan Oil & Gas Corp (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

### 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other matter

The consolidated financial statements of Waskahigan Oil & Gas Corp for the year ended December 31, 2020 and comparative figures and disclosures are unaudited.

### Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be

materially misstated.

We obtained the other information prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 these consolidated financial statements.

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 consolidated financial statements, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Todd Freer.

*Crowe MacKay LLP*

**Chartered Professional Accountants  
Calgary, Canada  
May 2, 2022**

# WASKAHIGAN OIL & GAS CORP.

## STATEMENTS OF FINANCIAL POSITION FOR THE YEARS ENDED

In Canadian Dollars

	Note	December 31, 2021		December 31, 2020
<b>ASSETS</b>				
<b>Current</b>				
Cash and cash equivalents	\$	18,003	\$	-
Restricted cash held in trust		70,000		-
Trade and other receivables		94,070		3,234
Short term investments		14,218		-
Prepaid expenses and deposits		56,148		-
		252,439		3,234
<b>Long term</b>				
Restricted cash held in trust	5	211,021		124,629
Exploration and evaluation assets	6	11,036		-
Property and equipment	7	2,517,378		-
		\$ 2,991,874	\$	127,863
<b>LIABILITIES</b>				
<b>Current</b>				
Accounts payable and accrued liabilities	\$	188,301	\$	-
Loan payable	8	1,086,488		-
Deferred income		8,223		-
Due to related party		-		393,329
Asset retirement obligation	9	288,826		-
		1,571,838		393,329
Asset retirement obligation	9	1,038,887		30,176
<b>Total liabilities</b>		2,610,725		423,505
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>				
Share capital	10	134,315		100
Contributed surplus	4	559,699		-
Deficit		(312,865)		(295,742)
		381,149		(295,642)
		\$ 2,991,874	\$	127,863
Nature of Operations and Going concern	1			

*(Signed) "Gregory J. Leia"*

Gregory J. Leia, Director

*(Signed) "Tracy Zimmerman"*

Tracy Zimmerman, Director

The accompanying notes are an integral part of these consolidated financial statements

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE INCOME LOSS

In Canadian Dollars

FOR THE YEARS ENDED

	Note	December 31, 2021		December 31, 2020
<b>REVENUE</b>				
Oil & natural gas sales	17	\$ 1,039,245	\$	-
Royalties		(211,593)		-
Other revenue		31		-
		827,683		-
<b>EXPENSES</b>				
Production and transportation		373,973		-
General and administrative		297,587		-
Accretion	9	7,054		579
Impairment of property and equipment	7	(997)		19,739
Depletion and depreciation	7	115,648		-
		793,265		20,318
<b>OPERATING INCOME (LOSS) FROM OPERATIONS</b>		34,418		(20,318)
Other income (expense) items				
Interest income		274		-
Interest expense		(71,948)		-
Other income		19,972		-
Foreign exchange		161		-
<b>NET LOSS AND COMPREHENSIVE LOSS</b>		\$ (17,123)	\$	(20,318)
<b>LOSS PER SHARE</b>				
Basic and diluted		\$ (0.002)	\$	(0.002)

The accompanying notes are an integral part of these consolidated financial statements

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED

In Canadian Dollars

	Note	December 31, 2021		December 31, 2020
<b>OPERATING ACTIVITIES</b>				
Net loss		\$ (17,123)	\$	(20,318)
Items not affecting cash:				
Depletion and depreciation	7	115,648		-
Impairment	7	(997)		19,739
Accretion	9	7,054		579
Foreign exchange		(162)		-
Changes in restricted cash		(272)		-
Settlement of asset retirement obligations	9	(388)		-
Changes in non-cash working capital	16	(120,529)		-
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		<b>(16,769)</b>		<b>-</b>
<b>FINANCING ACTIVITIES</b>				
Private placement	10	100,000		-
Repayment of loan	8	(65,687)		-
<b>CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>34,313</b>		<b>-</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of exploration and evaluation assets	6	(5,969)		-
Acquisition of cash in acquisition transaction	4	6,428		-
<b>CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b>459</b>		<b>-</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>18,003</b>		<b>-</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>		<b>-</b>		<b>-</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>		<b>\$ 18,003</b>	<b>\$</b>	<b>-</b>
Interest paid		\$ 71,948	\$	-
<b>Supplemental disclosure of non-cash activities:</b>				
Issuance of share capital on settlement of accounts payable	10	\$ 34,215		-

The accompanying notes are an integral part of these consolidated financial statements

# WASKAHIGAN OIL & GAS CORP.

## STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

In Canadian Dollars

FOR THE YEARS ENDED

	Note	December 31, 2021		December 31, 2020
<b>SHAREHOLDERS' DEFICIT</b>				
<u>Share capital</u>				
	10			
Balance, beginning of year		\$ 100	\$	100
Private placement		134,215		-
Balance, end of year		\$ 134,315	\$	100
<u>Contributed surplus</u>				
	4			
Balance, beginning of year		\$ -	\$	-
Gain on acquisition		559,699		-
Balance, end of year		\$ 559,699	\$	-
<u>Deficit</u>				
Balance, beginning of year		\$ (295,742)	\$	(275,424)
Net loss		(17,123)		(20,318)
Balance, end of year		\$ (312,865)	\$	(295,742)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>		<b>\$ 381,149</b>	<b>\$</b>	<b>(295,642)</b>

The accompanying notes are an integral part of these consolidated financial statements



# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

In Canadian Dollars

### 1. NATURE OF OPERATIONS AND GOING CONCERN

Waskahigan Oil & Gas Corp. ("**WOGC**") is in the business of exploring for, developing, and producing petroleum and natural gas properties in Western Canada. WOGC is a company domiciled in Canada. The address of WOGC's registered office is 203, 221 10th Avenue SE, Calgary, Alberta.

Until December 6, 2021, WOGC was a subsidiary of Tenth Avenue Petroleum Corp ("**TAPC**"). On January 1, 2021, the oil and gas assets of TAPC had been assigned through a Plan of Arrangement to Odaat Oil Corp. ("**Odaat**"), a newly-formed, wholly-owned subsidiary of WOGC. Odaat is carrying on the oil and gas business previously carried on by TAPC.

On December 6, 2021, WOGC and TAPC filed Articles of Arrangement with the Registrar of Corporations for the Province of Alberta implementing the Order of Justice D.R. Mah dated May 25, 2021 in Court of Queen's Bench of Alberta Action #2101 02284 which approved the Plan of Arrangement dated March 24, 2021 (as amended) ("**Plan of Arrangement**") amongst TAPC, WOGC, Odaat and Bloc NRG Corp (formerly 2361990 Alberta Ltd.) ("**BlocNRG**"). The implementation of the Plan of Arrangement was effective September 30, 2021. The effect of the Plan of Arrangement is for WOGC to become a standalone reporting issuer in the Provinces of Alberta and British Columbia independent of TAPC on December 6, 2021 upon filing of the Articles of Arrangement. The common shares of WOGC are not listed or posted for trading on any stock exchange.

To implement the Plan of Arrangement, TAPC declared a dividend of one (1) common share of WOGC to the holders of each common share of TAPC. TAPC dividended 10,512,568 common shares of WOGC at a deemed consideration of \$0.0001 per WOGC common share. The dividend records date was December 3, 2021. The dividend payment date was December 10, 2021.

By agreement effective September 30, 2021, WOGC, TAPC, Odaat, Smoky Oil & Gas Corp ("**Smoky**"), Gregory J. Leia Professional Corporation ("**GJLPC**") and Cameron MacDonald, entered into an agreement ("**Transition Agreement**") which governed the affairs of WOGC, TAPC and Odaat through the completion of the Plan of Arrangement.

The accompanying consolidated financial statements have been prepared using the going concern assumption which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

For the year ended December 31, 2021, the Company incurred a net loss of \$ 17,123 (2020 – (\$20,318)), has current liabilities in excess of current assets of \$1,319,399 (2020 - \$390,095) and an accumulated deficit of \$312,865 (2020 – \$295,742). The Company has relied on support from various creditors and lenders (Note 7) to finance its operations. The continued volatility in global commodity prices and equity markets caused in part by the COVID-19 pandemic and the war in Ukraine creates significant uncertainties which may impact the Company's future operations, revenues and its ability to access the capital necessary to execute on its business plans. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The future operations of the Company are dependent on the continued support from its creditors and lenders and the Company's ability to raise additional capital through equity financings or the sale of assets. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

These consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not appropriate, the adjustments required to report the Company's assets and liabilities on a liquidation bases could be material to these consolidated financial statements.

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In Canadian Dollars

DECEMBER 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation and measurement

Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**") and International Financial Reporting Interpretations Committee ("**IFRIC**"). The consolidated financial statements of the Company include the accounts of WOGC and its wholly owned subsidiaries; Jadela Oil (US) Operating LLC ("**Jadela US**"), Odaat and BlocNRG. (collectively WOGC, Jadela US, Odaat and BlocNRG are referred to as (the "**Company**") and have been prepared by management. These consolidated financial statements were authorized for issue by the Board of Directors on April 28, 2022.

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments at fair value through profit or loss, share based compensation, and business acquisitions which are measured at fair value. The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency, as well as the functional currency of the Company's subsidiaries.

#### Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and deposits with banks. The Company does not have any cash equivalents as at December 31, 2021.

Cash and cash equivalents that are not available for use are classified as restricted cash. When restricted cash is not expected to be used within the next twelve months, it is classified as a long-term asset.

#### Short term investments

Short term investments consist of funds held in investment accounts that have a maturity of twelve months or less at the time of purchase.

#### Property and equipment and exploration and evaluation assets

##### Exploration and evaluation assets

Costs of exploring for and evaluating oil and natural gas properties (exploration and evaluation assets or ("**E&E Assets**") are capitalized within exploration assets. These costs include lease acquisition costs, geological and geophysical expenditures, costs of drilling and completion of wells, plant and production equipment costs and related overhead charges. E&E Assets do not include costs of general prospecting, or evaluation costs incurred prior to having obtained the legal rights to explore an area, which are expensed as incurred. Interest is not capitalized on E&E Assets.

E&E Assets are not depleted or depreciated and are carried forward until technical feasibility and commercial viability is considered to be determined. The technical feasibility and commercial viability is generally considered to be determined when proved plus probable reserves are determined to exist and the production of oil and gas has commenced. A review of each exploration license or field is carried out, at least annually, to ascertain whether proved plus probable reserves have been discovered and production has commenced. Upon determination of proved plus probable reserves and commencement of production, E&E Assets attributable to those reserves are first tested for impairment and then reclassified from E&E Assets to oil and natural gas interests, a separate category within Property Plant and Equipment ("**PP&E**").

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

In Canadian Dollars

### Property and equipment

PP&E is stated at cost; less accumulated depletion, depreciation and amortization, and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, and costs attributable to bring the asset into operation, and the initial estimate of decommissioning obligation. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis.

### Depletion and depreciation

The net carrying value of developed and producing fields are depleted using the unit of production method by reference to the ratio of production in the period to the related proved plus probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserves. These estimates are reviewed by independent reserve engineers at least annually. Total proved plus probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrated with a 50 percent statistical probability.

Other property and equipment are depreciated over their estimated useful lives at the following annual rates and methods:

Other assets - Computer equipment	3 years	straight-line
Other assets - Office equipment	2 years	straight-line

Depreciation methods, useful lives and residual values are reviewed at least annually.

### Impairment — Property and equipment

For the purpose of impairment testing, PP&E are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets — cash generating unit ("CGU").

The carrying amounts of PP&E are reviewed at each reporting date to determine whether there is any indication of impairment, such as decreased commodity prices or downward revisions in reserves volumes. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount is the greater of the value in use or fair value less costs to sell.

Value in use is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of income.

Impairment losses recognized in respect of CGU's are allocated to reduce the carrying amounts of the assets in the unit on a pro rata basis.

Impairment losses, except those on goodwill, recognized in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been permitted to be recognized.

### Asset retirement obligations

Asset retirement obligations include legal obligations to retire tangible long-lived assets such as well sites, pipelines, and production facilities. Provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Asset retirement obligations are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the balance sheet date. Subsequent to the initial measurement, the obligations are adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the decommissioning obligations are charged against the provision to the extent the provision were established.

The Company's estimates of future asset retirement obligations are based on reclamation standards that meet current regulatory requirements. The estimate of the total liability of future site restoration costs may be subject to change based on amendments to laws and regulations and as new information concerning the Company's operations becomes available. Accordingly, the amount of the liability will be subject to re-measurement at each reporting period. Any adjustments to this liability will impact the related asset.

### Revenue recognition

Revenue from the sale of oil, natural gas and natural gas liquids ("NGLs") is recognized when performance obligations in the sales contract are satisfied and it is probable that the Company will collect the consideration to which it is entitled. Performance obligations are satisfied at the point in time when the product is delivered to a location specified in the contract and control passes to the customer. The Company assesses customer creditworthiness before entering into contracts and throughout the revenue recognition process.

Contracts for sale of the Company's oil, natural gas and NGLs products generally have terms of less than a year. These contracts specify delivery of product throughout the term of the contract. Sales of the Company's oil, natural gas, and NGLs are made pursuant to contracts based on prevailing commodity pricing at or near the time of delivery and volumes of product delivered.

Revenues are typically collected in the month following delivery and accordingly, the Company has not adjusted for the effects of a financing component.

Revenue in the consolidated statement of loss represents the Company's share of product sales and excludes amounts collect on behalf of third parties.

### Income (loss) per share

Income (loss) per share is computed by dividing the loss for the period by the weighted average number of common shares outstanding during the period. Diluted per share calculations reflect the exercise or conversion of potentially dilutive securities or other contracts to issue shares at the later of the date of grant of such securities or the beginning of the period.

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### Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### Jointly owned assets

A percentage of the Company's exploration and production activities are conducted jointly with others, whereby two or more parties jointly own the assets. These consolidated financial statements reflect only the Company's share of these jointly owned assets and, once production commences, a proportionate share of the relevant revenue and related costs.

### Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are not offset unless the Company has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously.

The Company initially measures all financial assets at fair value. Financial assets are subsequently classified as measured at fair value through profit and loss ("FVPL"), fair value through other comprehensive income ("FVOCI"), or amortized cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

The Company's financial assets are classified into the following categories: *Amortized cost*

A financial asset is measured at amortized cost if it is held within a business model of holding financial assets and collecting contractual cash flows and those cash flows are comprised solely of payments of principal and interest. Financial assets classified at amortized cost are initially recorded at fair value and subsequently at amortized cost using the effective interest rate method. The Company classifies cash and cash equivalents, trade and other receivables, short term investments, and restricted cash held in trust in this category.

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### *Fair value through other comprehensive income*

A financial asset is measured at FVTOCI if the financial asset is held within a business model of both collecting contractual cash flows and selling the financial assets or through an irrevocable election for equity instruments that are not held for trading. Financial assets classified as FVTOCI are carried at fair value and any gains or losses are recorded in other comprehensive income in the period which they arise. The Company does not hold any instruments in this category.

### *Fair value through profit and loss*

A financial asset is measured at FVTPL unless it is measured at amortized cost or at FVTOCI. Financial assets classified as FVTPL are carried at fair value and any gains or losses are recorded in net income in the period which they arise. The Company does not hold any instruments in this category.

The Company's financial liabilities are classified into the following categories:

### *Amortized cost*

Financial liabilities measured at amortized cost are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The Company classifies accounts payable and accrued liabilities and loan payable at amortized cost.

### *Fair value through profit and loss*

Financial liabilities measured at FVTPL are initially measured at fair value and the subsequently at fair value with gains or losses recognized in net income. The Company does not hold any financial liabilities in this category.

### *Impairment of Financial Assets*

The Company recognizes loss allowances for expected credit losses (ECLs) on its financial assets measured at amortized cost. Expected credit losses are measured as the difference between the cash flows that are due to the Company and the cash flows that the Company expects to receive, discounted at the effective interest rate determined at initial recognition. Changes in the provision for expected credit loss are recognized in net earnings.

For accounts receivable, the Company assesses the lifetime ECL applicable to its commodity product sales receivable and joint venture receivables at initial recognition and re-assesses the provision at each reporting date. In making an assessment as to whether the Company's financial assets are credit impaired, the Company considers historical bad debts, the counterparties financial condition, credit rating and total financial exposure. The carrying amounts of receivables are reduced by the amount of the ECL through an allowance account and losses are recognized within general and administrative expense in comprehensive loss.

### **Business combinations**

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the net assets acquired. Goodwill is measured as the excess of the consideration transferred that exceeds the fair value of the identifiable assets acquired and liabilities assumed. If, after reassessment, the fair value of the identifiable assets acquired and liabilities assumed exceeds the consideration transferred, the excess is recognized immediately in profit or loss as a bargain purchase gain unless the transaction is among entities under common control whereby any gains are

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recognized in contributed surplus, a separate component of equity. Transaction costs incurred are deferred until such time as the transaction is completed or abandoned and subsequently recognized in profit or loss in the period such determination is made.

### Leases

#### *Definition of a lease*

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. All leases are accounted for by recognizing a right-to-use asset and a lease liability except for:

- i. Leases of low value assets (based on the value of the underlying asset when new); and
- ii. Short-term leases with a lease term of twelve months or less.

#### *Recognition and initial measurement*

The Company recognizes right-of-use assets and lease liabilities at the lease commencement date.

The right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease and for initial direct costs incurred.

Lease liabilities are initially measured at the present value of the lease payments owed subsequent to the commencement date. The discount rate may be the interest rate implicit in the lease. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate (e.g. CPI or inflation). In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments that are not dependent on an index or rate are expensed in the period to which they relate.

### Foreign currency translation and transactions

These consolidated financial statements are presented in Canadian dollars. The functional currency of the Canadian parent entity and its Canadian subsidiaries is the Canadian dollar and the functional currency of the Company's US subsidiary, which operations were discontinued in during 2015, is also the Canadian dollar.

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss.

Monetary assets and liabilities of the US subsidiary are translated to Canadian dollars at exchange rates at the reporting date. The income and expenses of the US subsidiary are translated to Canadian dollars at exchange rates at the dates of transactions. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in profit or loss. Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognized directly in equity in other comprehensive income.

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### Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. If a grant is received but reasonable assurance and compliance with conditions is not achieved, the grant is recognized as a deferred liability until such conditions are fulfilled. When the grant relates to an expense, it is recognized in other income in the period in which the costs are incurred. When the grant relates to an asset, it is recognized as a reduction to the net book value of the related asset and recognized in net loss in equal amounts over the expected useful life of the related asset through lower depletion, depreciation and amortization.

### Presentation of statement of loss

The Company's consolidated statement of loss is prepared primarily by the nature of the expenses.

### Changes in accounting policies

The Company has not adopted any changes to material accounting policies during the fiscal year ended December 31, 2021.

### New Accounting Pronouncements

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### Future Accounting Standards and Pronouncements

#### *Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)*

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These amendments are effective for reporting periods beginning on or after January 1, 2022.

#### *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2023.



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### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Financial results as determined by actual events may differ from these estimates. These consolidated financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality.

The significant estimates and judgments in the consolidated financial statements include:

#### Estimating oil and gas reserves

The Company engages a qualified, independent oil and gas reserves evaluator to perform an estimation of the Company's oil and gas reserves annually. Reserves form the basis for the calculation of depletion charges and assessment of impairment of oil and gas assets. Reserves are estimated using the reserve definitions and guidelines prescribed by National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook.

Proved plus probable reserves are defined as the "best estimate" of quantities of oil, natural gas and related substances estimated to be commercially recoverable from known accumulations, from a given date forward, based on drilling, geological, geophysical and engineering data, the use of established technology and specified economic conditions. It is equally likely that the actual remaining quantities recovered will be greater than or less than the sum of the estimated proved plus probable reserves. The estimates are made using all available geological and reservoir data as well as historical production data. Estimates are reviewed and revised as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes and reservoir performance or a change in the Company's plans with respect to future development or operating practices.

#### Determination of cash generating units

The recoverability of development and production asset carrying values are assessed at the CGU level. Determination of what constitutes a CGU is subject to management's judgment. The asset composition of a CGU can directly impact the recoverability of the assets included therein. In assessing the recoverability of oil and gas properties, each CGU's carrying value is compared to its recoverable amount, defined as the greater of fair value less costs to sell and value in use.

#### Asset retirement obligations

The Company estimates obligations under environmental regulations in respect of decommissioning and site restoration. These obligations are determined based on the expected present value of expenses required in the process of plugging and abandoning wells, dismantling of wellheads, production and transportation facilities and restoration of producing areas in accordance with relevant legislation, discounted from the date when expenses are expected to be incurred. Most of the abandonment of future expenses, estimated logistics of performing abandonment work and the discount rate used to calculate the present value of future expenses would have a significant effect on the carrying amount of the decommissioning provision.

#### Recoverability of assets

The Company assesses impairment on its assets that are subject to amortization when it has determined that a potential indicator of impairment exists. Impairment exists when the carrying value of a non-financial asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs to sell ("FVLCTS") and its value in use. The Company used the calculation of FVLCTS to determine the fair value of its CGUs. In determining the FVLCTS, the amount is most sensitive to the

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future commodity prices, discount rates, and estimates of proved and probable reserves, to determine an implied fair value of the CGU being tested.

### Fair value of related party loans

The Company estimates the fair value of its related party loan obligations. The Company estimates the market interest rate they would pay on a similar loan to an arm's length party, and then uses this market rate to discount the estimated cash flows of the loan in order to determine the fair value. The market interest rate and amount and timing of cash flows are subject to measurement uncertainty and may impact consolidated financial statements in future periods.

### Income taxes

Tax regulations and legislation and the interpretations thereof are subject to change. The Company recognized the net future tax benefit of deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

## 4. BUSINESS COMBINATION

Effective January 1, 2021, the oil and gas assets and liabilities of TAPC were assigned to Odaat pursuant to a Plan of Arrangement (Note 1). The transfer of assets was determined to be a business combination and has been accounted for using the acquisition method. The estimated acquisition date fair value of property and equipment was derived from the estimate of proved and probable oil and gas reserves and the related cash flows prepared by independent third-party reserve evaluators. The estimated proved and probable oil and gas reserves and the related cash flows were discounted at a rate based on what a market participant would have paid as well as market metrics in the prevailing area at that time. The estimated fair values of the net assets acquired and liabilities assumed have been calculated using market participant discount rates:

Fair value of net assets acquired:	
Working capital	\$ 278,794
Restricted cash held in trust	86,254
Exploration and evaluation assets	5,067
Property and equipment	2,715,975
Asset retirement obligation	(1,374,117)
Loan payable	(1,152,174)
Total	\$ 559,799
Consideration paid:	
Promissory note	\$ 100
Gain on transaction	\$ 559,699

As the acquisition was completed between companies under common control, the gain on the transaction has been charged to contributed surplus, a separate component of equity.

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### 5. RESTRICTED CASH HELD IN TRUST

Restricted cash held in trust includes \$54,697 (2020 – nil) held by the Alberta Energy and Utilities Board, \$124,629 (2020 - \$124,629) held by British Columbia Minister of Energy, Mines and Petroleum Resources and \$31,695 (USD \$25,000) (2020 - nil) held by the Texas Railway Commission. These accounts are legally held by TAPC in trust for WOGC.

### 6. EXPLORATION AND EVALUATION ASSETS

	Note	December 31, 2021	December 31, 2020
Balance, beginning of year		\$ -	\$ -
Acquisition	4	5,067	-
Capital expenditures		5,969	-
<b>Balance, end of year</b>		<b>\$ 11,036</b>	<b>\$ -</b>

### 7. PROPERTY AND EQUIPMENT

COSTS	Note	Oil and Natural Gas		Total
		Assets	Other assets	
Balance, December 31, 2019 and 2020		\$ 155,800	\$ -	\$ 155,800
Acquisition	4	2,712,503	3,472	2,715,975
ARO revisions	8	(82,950)	-	(82,950)
<b>Balance, December 31, 2021</b>		<b>\$ 2,785,353</b>	<b>\$ 3,472</b>	<b>\$ 2,788,825</b>

#### ACCUMULATED DEPLETION AND DEPRECIATION

Balance, December 31, 2019 and 2020	\$ 155,800	\$ -	\$ 155,800
Depletion and depreciation	114,656	991	115,647
<b>Balance, December 31, 2021</b>	<b>\$ 270,456</b>	<b>\$ 991</b>	<b>\$ 271,447</b>

#### CARRYING AMOUNT

December 31, 2020	\$ -	\$ -	\$ -
<b>December 31, 2021</b>	<b>\$ 2,514,897</b>	<b>\$ 2,481</b>	<b>\$ 2,517,378</b>

#### Impairment

Revisions to asset retirement obligations have resulted in a \$997 impairment reversal (2020 - \$19,739 impairment charge) that has been recognized in the consolidated statement of loss and comprehensive loss as these assets were impaired in prior periods.

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### 8. LOAN PAYABLE

On July 31, 2017, TAPC entered into a Loan and Participation Agreement with Smoky and 1454871 Alberta Ltd. ("1454871") (formerly Batoche Oil & Gas Exploration Ltd.) which are related companies by way of common directors and officers. Pursuant to the terms of the Loan and Participation Agreement ("TAPC LPA"), Smoky lent TAPC the sum of \$1,326,593 to complete the acquisition of assets from NuVista Energy Ltd. in 2017 (the "Waskahigan Assets"). The interest rate on the loan principal is 6% per annum. All obligations owing were secured by a general security agreement charging all of the assets of TAPC. The TAPC LPA had provided, that, subject to an agreed upon general and administrative expense payment, Smoky shall be entitled to all net cash flow from the Waskahigan Assets until the loan is repaid.

Pursuant to the original TAPC LPA, as additional consideration, Smoky was entitled to receive post payout of the loan: (a) 80% of net cash flow from the Waskahigan Assets (less agreed general and administrative expenses) until December 31, 2021 (subject to farmout rights); (b) 80% of net sale proceeds of Waskahigan Assets (subject to farmout rights); (c) right to compel TAPC to buy Smoky's right to 80% of the net cash flow from the Waskahigan Assets (subject to farmout rights) for 2.5 times net cash flow; and (d) right to compel TAPC to buy Smoky's right to 24% of the net cash flow from the Waskahigan Participation Assets (subject to farmout rights) for 2.5 times net cash flow from the Waskahigan Participation Assets (hereinafter called the "Post Payout Additional Consideration").

On May 6, 2019 the TAPC LPA was amended and the loan was converted to a demand loan. As at March 31, 2021 and December 31, 2020, the loan is presented at its face value and is subject to interest at a rate of 6% per annum, which is payable quarterly. The TAPC LPA contained a restriction to charging a maximum of \$75,000 per year for general and administration costs for the administration of the Waskahigan Assets and \$75,000 per year for the administration of the Waskahigan Participation Assets. TAPC was not in compliance with the terms of the TAPC LPA as general and administrative charges have exceeded the maximum allowable amounts as noted above.

By novation agreement effective January 1, 2021, WOGC and Odaat agreed to assume the obligations to Smoky ("WOGC/Odaat LPA") under the TAPC LPA and Smoky released TAPC from the obligations upon completion of the Plan of Arrangement and in accordance with the Transition Agreement. WOGC and Odaat granted a general security agreement in favour of Smoky pledging all of the assets in support of the debt. WOGC/Odaat are not in compliance with the terms of the WOGC/Odaat LPA as general and administrative charges have exceeded the maximum allowable amounts as noted above. As of the date of approval of these consolidated financial statements, the lender has not demanded repayment but retains the right to do so.

	Note	2021	2020
Balance, beginning of year	\$	-	\$ -
Acquisition	4	1,152,174	-
Payments		(65,687)	-
<b>Balance, end of year</b>	<b>\$</b>	<b>1,086,487</b>	<b>\$ -</b>

### 9. ASSET RETIREMENT OBLIGATIONS

The Company estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately \$1,431,859 (2020 - \$31,642). A risk-free interest rate of 1.25% (2020 - 0.25%) and an estimated inflation rate of 2% (2020 - 1.4%) was used to calculate the present value of asset retirement obligations.

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The following table reconciles the asset retirement obligations:

	2021	2020
Balance, beginning of year	\$ 30,176	\$ 29,597
Acquisitions	1,374,117	-
Revisions	(82,950)	-
Expenditures	(388)	-
Foreign exchange	(296)	-
Accretion	7,054	579
Balance, end of year	1,327,713	30,176
Less: current portion	(288,826)	-
<b>Long term portion</b>	<b>\$ 1,038,887</b>	<b>\$ 30,176</b>

## 10. SHARE CAPITAL

Authorized:

Unlimited	Common voting shares with no par value
Unlimited	Preferred shares, issuable in series, with rights and privileges to be determined at time of issue

Issued:

Common shares	Number of shares	Value
Balance, December 31, 2019 and 2020	100	\$ 100
Plan of arrangement	10,512,568	-
Shares returned to treasury	(100)	-
Restated balance, December 31, 2020	10,512,568	100
Private placements	2,000,000	100,000
Shares issued to settle accounts payable	684,300	34,215
<b>Balance, December 31, 2021</b>	<b>13,196,868</b>	<b>\$ 134,415</b>

On December 14, 2021, the Company issued 2,000,000 shares to a company controlled by a director for consideration of \$100,000 to be used in accordance with the Transition Agreement that was in place subsequent to the Plan of Arrangement. These funds were placed in trust and must be used for liabilities that existed as of September 30, 2021.

On December 14, 2021, the Company issued 684,300 common shares to a company controlled by a director to settle accounts payable of \$34,215.

On completion of the Plan of Arrangement, 100 common shares issued on incorporation were returned to treasury and the Company re-issued 10,512,568 common shareholdings to the existing shareholders of TAPC. The comparative period number of shares has been restated to reflect this transaction having occurred has been reflected as if it occurred on January 1, 2020.

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### 11. RELATED PARTY TRANSACTIONS

The Company has determined that the key management personnel of the Company consist of its officers and directors. The following table provides information on compensation expense related to officers and directors.

		2021		2020
Consulting fees to a company controlled by directors	\$	170,978	\$	-
Consulting fees to a company controlled by a director		4,889		-
Total	\$	175,867	\$	-

Included in accounts receivable are amounts due from TAPC of \$2,339 (2020 – Nil) related to the acquisition (Note 4). The amounts are unsecured, non-interest bearing and due on demand.

As disclosed in Note 8, TAPC entered into a TAPC LPA with Smoky and 1454871 on July 31, 2017. Pursuant to the terms of the TAPC LPA, Smoky lent TAPC the sum of \$1,326,593 to complete the acquisition of the Waskahigan Assets. The interest rate on the loan principal is 6% per annum. On May 6, 2019, the terms of the loan were modified to include a demand feature. Pursuant to an intercreditor agreement dated effective January 1, 2021 (“**Intercreditor Agreement**”) amongst TAPC, WOGC, Odaat and Smoky, Smoky agreed to assume the debts owing by TAPC effective January 1, 2021 (referred to as the WOGC/Odaat LPA) and to release TAPC from the loans upon completion of the Plan of Arrangement. The loan value as of January 1, 2021 was \$1,152,174. The Company incurred interest expense of \$68,312 (2020 – Nil) during the year ended December 31, 2021 on this loan. All obligations owing are secured by a general security agreement charging all of the assets of WOGC/Odaat. Gregory J. Leia is President and a director of WOGC, Odaat, Jadela US and BlocNRG and is an officer and director of Smoky and 1454871. Gregory J. Leia owns approx. 65% of the common shares and preferred shares of Smoky.

### 12. PER SHARE AMOUNTS

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the year of 11,127,217 (2020 – 10,512,568).

### 13. FINANCIAL INSTRUMENTS

The Company’s financial instruments are exposed to certain financial risks, including credit risk, capital market risk and liquidity risk, interest rate risk, commodity price risk and foreign exchange risk.

Financial instruments, consisting of cash and cash equivalents, short term investments, trade and other receivables, restricted cash held in trust, accounts payable and accrued liabilities, and loan payable, are recorded at amortized cost. There are no financial instruments recorded at fair value. The Company classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy as following:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in

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Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

At December 31, 2021, the Company's financial instruments approximate their fair value due to their current nature.

Financial instrument	Classification	Carrying Value (\$)	Fair Value (\$)
Cash and cash equivalents	Amortized cost	18,003	18,003
Trade and other receivables	Amortized cost	94,070	94,070
Short term investments	Amortized cost	14,218	14,218
Restricted cash held in trust	Amortized cost	211,021	211,021
Accounts payable and accrued liabilities	Amortized cost	188,301	188,301
Loan payable	Amortized cost	1,086,488	1,086,488

Credit risk – Consists of cash and cash equivalents, restricted cash held in trust and accounts receivable. A portion of the Company's accounts receivable are with joint venture partners in the petroleum and natural gas industry and are subject to normal credit terms. The Company generally extends unsecured credit to these customers and, therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. The carrying value of accounts receivable reflects management's assessment of the associated credit risk. The Company is also exposed to credit risk on certain deposits to the extent that the Company may not be refunded these amounts. The Company does not anticipate any default or non-performance by its oil and gas sales customers. As such, a provision for doubtful accounts has not been recorded at December 31, 2021

Liquidity risk - The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company has to date, required funds from private placements to finance capital expenditures and operations (see note 1).

The Company's financial liabilities and contractual obligations as at December 31, 2021 are due as follows:

Accounts payable and accrued liabilities	\$	188,301	Due within 90 days
Loan payable	\$	1,086,488	Due on demand

Commodity price risk - The Company is exposed to oil and gas commodity price risk and has not entered any financial derivatives to manage this risk.

Commodity price risk sensitivity	2021		2020	
	(Increase)	decrease to net loss	(Increase)	decrease to net loss
Increase of \$1.00/bbl oil	\$	429	\$	-
Decrease of \$1.00/bbl of oil	\$	(429)	\$	-
Increase of \$0.10/Mcf of natural gas	\$	20,910	\$	-
Decrease of \$0.10/Mcf of natural gas	\$	(20,910)	\$	-

Interest rate risk – The risk that future cash flows will fluctuate as a result of changes in market rates. The Company is exposed to fair value interest rate risk on its loan payable as the rate is fixed.

# WASKAHIGAN OIL & GAS CORP.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2021

In Canadian Dollars

## 14. CAPITAL DISCLOSURES

The Company' has defined its capital to mean its consolidated shareholders' deficit and long-term debt. The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its exploration and development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity or debentures. Management monitors its financial position on an ongoing basis.

## 15. INCOME TAXES

The provision for income tax differ from the results that would be obtained by applying the combined Canadian and Provincial tax rates of approximately 23.0% (2020 – 24.0%). The reasons for these differences are as followed:

	2021	2020
Loss before income taxes	\$ (17,123)	\$ (20,318)
Statutory tax rate	23.00%	24.00%
Expected income tax expense (recovery)	(3,938)	(4,876)
Other	346	-
Acquisition of subsidiary losses	(2,709,923)	-
Effect of changes in tax rates	-	203
Valuation allowance	2,713,515	4,673
<b>Income tax provision</b>	<b>\$ -</b>	<b>\$ -</b>

The following deferred tax assets have not been recognized in the consolidated financial statements because it is not probable that future taxable profits will be available against which they can be utilized.

	2021	2020
Property and equipment	\$ (280,033)	\$ 22,722
Asset retirement obligation	305,374	6,940
Non-capital losses carried forward	2,756,249	38,413
<b>Unrecognized net deferred tax assets</b>	<b>\$ 2,781,590</b>	<b>\$ 68,075</b>

The Company has Canadian non-capital loss carry forwards of approximately \$200,000 (2020 - \$167,000) that will expire between 2032 and 2041 and U.S. non-capital loss carry forwards of approximately USD \$10,200,000 (2020 – USD \$10,200,00) that expire between 2031 and 2035.



# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In Canadian Dollars

DECEMBER 31, 2021

### 16. CHANGES IN NON-CASH WORKING CAPITAL

The breakdown of the changes in the non-cash working capital is as follows:

	2021	2020
Restricted cash held in trust	\$ (70,000)	\$ -
Trade and other receivables	(16,825)	-
Short term investments	(2)	-
Prepaid expenses and deposits	17,234	-
Accounts payable and accrued liabilities	(48,732)	-
Deferred income	(2,204)	-
<b>Total</b>	<b>\$ (120,529)</b>	<b>\$ -</b>

### 17. REVENUE

The Company sells its oil, natural gas, and natural gas liquids production pursuant to variable price contracts. The transaction price for variable priced contracts is based on a benchmark commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula (apart from the benchmark commodity price) can be either fixed or variable, depending on the contract terms. Revenues are typically collected on the 25th day of the month following the prior month's production, with revenue being recorded once the product is delivered to a contractually agreed upon delivery point.

The following table presents the Company's production disaggregated by revenue source:

	2021	2020
Crude oil	\$ 30,601	\$ -
Natural gas	807,710	-
Condensate	200,934	-
<b>Total</b>	<b>\$ 1,039,245</b>	<b>\$ -</b>

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021

(IN CANADIAN DOLLARS)

(UNAUDITED)

# WASKAHIGAN OIL & GAS CORP.

## NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of Waskahigan Oil & Gas Corp have been prepared by and are the responsibility of management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Calgary, Alberta  
November 29, 2022

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT

In Canadian Dollars

	Note	September 30, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		\$ -	\$ 18,003
Restricted cash held in trust		70,000	70,000
Trade and other receivables		80,427	94,070
Short term investments		14,219	14,218
Prepaid expenses and deposits		106,954	56,148
		271,600	252,439
<b>Long term</b>			
Restricted cash held in trust		213,800	211,021
Restricted investments	3	151,031	-
Exploration and evaluation assets		5,067	11,036
Property and equipment	4	2,391,725	2,517,378
		\$ 3,033,223	\$ 2,991,874
<b>LIABILITIES</b>			
<b>Current</b>			
Bank indebtedness		\$ 2,462	\$ -
Accounts payable and accrued liabilities		264,447	188,301
Loan payable	5	1,080,174	1,086,488
Deferred income		4,792	8,223
Asset retirement obligation	6	232,213	288,826
		1,584,088	1,571,838
Asset retirement obligation	6	1,001,328	1,038,887
<b>Total liabilities</b>		2,585,416	2,610,725
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	134,315	134,315
Contributed surplus		559,699	559,699
Deficit		(246,207)	(312,865)
		447,807	381,149
		\$ 3,033,223	\$ 2,991,874

Going concern 1

Signed "Gregory J. Leia"

Signed "Tracy Zimmerman"

**Gregory J. Leia, Director**

**Tracy Zimmerman, Director**

The accompanying notes are an integral part of these consolidated condensed financial statements

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) In Canadian Dollars FOR THE THREE AND NINE MONTHS ENDED

	Note	Three Months Ended		Nine Months Ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>REVENUE</b>					
Oil & natural gas sales	12	\$ 216,260	\$ 289,468	\$ 944,056	\$ 720,950
Royalties		(78,819)	(34,817)	(292,437)	(123,211)
Other revenue		3	3	23	17
		137,444	254,654	651,642	597,756
<b>EXPENSES</b>					
Production and transportation		82,260	96,593	287,569	278,533
General and administrative		99,735	77,498	278,191	205,554
Accretion	6	10,242	886	28,432	2,625
Depletion and depreciation	4	18,372	33,026	62,094	65,307
		210,609	208,003	656,286	552,019
<b>OPERATING INCOME (LOSS) FROM OPERATIONS</b>		<b>(73,165)</b>	<b>46,651</b>	<b>(4,644)</b>	<b>45,737</b>
Other income (expense) items					
Other income		-	19,972	39,286	19,972
Interest income		1,222	-	1,429	-
Interest expense		(16,424)	(17,581)	(48,905)	(54,601)
Gain on sale of assets		449	-	79,480	-
Foreign exchange		601	(989)	13	(28)
<b>NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)</b>		<b>\$ (87,317)</b>	<b>\$ 48,053</b>	<b>\$ 66,659</b>	<b>\$ 11,080</b>
<b>INCOME (LOSS) PER SHARE</b>					
Basic and diluted		\$ (0.007)	\$ 0.005	\$ 0.005	\$ 0.001

The accompanying notes are an integral part of these consolidated condensed financial statements

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE AND NINE MONTHS ENDED

In Canadian Dollars

	Note	Three Months Ended		Nine Months Ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Operating activities</b>					
Net income (loss)		\$ (87,317)	\$ 46,916	\$ 66,659	\$ (33,667)
Items not affecting cash:					
Depletion and depreciation	4	18,372	33,026	62,094	65,307
Loan interest accrued		(2,211)	11,115	3,086	16,010
Accretion	6	10,242	886	28,432	2,625
Foreign exchange		(2,533)	1,853	(2,152)	50
Gain on sale of assets		(449)	-	(79,480)	-
Settlement of asset retirement obligations		(63,605)	-	(63,605)	-
Change in restricted cash		-	(868)	-	(23)
Changes in non-cash working capital		100,550	(99,810)	35,551	(88,055)
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		<b>(26,951)</b>	<b>(6,882)</b>	<b>50,585</b>	<b>(37,753)</b>
Purchase of restricted long term investments		(151,031)	-	(151,031)	-
Repayment of loan		-	-	(9,400)	(10,399)
<b>CASH USED IN FINANCING ACTIVITIES</b>		<b>(151,031)</b>	<b>-</b>	<b>(160,431)</b>	<b>(10,399)</b>
Purchase of exploration and evaluation assets		-	-	-	(5,969)
Proceeds on disposal of assets		4,381	-	89,381	-
<b>CASH PROVIDED (USED) IN INVESTING ACTIVITIES</b>		<b>4,381</b>	<b>-</b>	<b>89,381</b>	<b>(5,969)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(173,601)</b>	<b>(6,882)</b>	<b>(20,465)</b>	<b>(54,121)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>		<b>171,139</b>	<b>40,629</b>	<b>18,003</b>	<b>46,533</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>		<b>\$ (2,462)</b>	<b>\$ 33,747</b>	<b>\$ (2,462)</b>	<b>\$ (7,588)</b>
Interest paid		\$ 18,636	\$ 7,604	\$ 45,819	\$ 42,003
Taxes paid		-	-	-	-

The accompanying notes are an integral part of these consolidated condensed financial statements

# WASKAHIGAN OIL & GAS CORP.

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY FOR THE NINE MONTHS ENDED

In Canadian Dollars

	Note	September 30, 2022		September 30, 2021
<b>SHAREHOLDERS' EQUITY</b>				
<u>Share capital</u>				
Balance, beginning of period	\$	134,315	\$	100
Private placement		-		-
Balance, end of period	7	\$ 134,315	\$	100
<u>Contributed surplus</u>				
Balance, beginning of period	\$	559,699	\$	-
Gain on acquisition		-		559,699
Balance, end of period	\$	559,699	\$	559,699
<u>Deficit</u>				
Balance, beginning of period	\$	(312,865)	\$	(275,424)
Net income (loss)		66,659		11,080
Balance, end of period	\$	(246,206)	\$	(264,344)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>\$</b>	<b>447,808</b>	<b>\$</b>	<b>295,455</b>

The accompanying notes are an integral part of these consolidated condensed financial statements

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

### 1. NATURE OF OPERATIONS, PLAN OF ARRANGEMENT AND GOING CONCERN

Waskahigan Oil & Gas Corp. ("WOGC") is in the business of exploring for, developing, and producing petroleum and natural gas properties in Western Canada. WOGC is a company domiciled in Canada. The address of WOGC's registered office is 203, 221 10th Avenue SE, Calgary, Alberta.

Until December 6, 2021, WOGC was a subsidiary of Tenth Avenue Petroleum Corp ("TAPC"). On January 1, 2021, the oil and gas assets of TAPC had been assigned through a Plan of Arrangement to Odaat Oil Corp. ("Odaat") a newly-formed, wholly owned subsidiary of WOGC. Odaat is carrying on the oil and gas business previously carried on by TAPC.

On December 6, 2021, WOGC and TAPC filed Articles of Arrangement with the Registrar of Corporations for the Province of Alberta implementing the Order of Justice D.R. Mah dated May 25, 2021 in Court of Queen's Bench of Alberta Action #2101 02284 which approved the Plan of Arrangement dated March 24, 2021 (as amended) ("Plan of Arrangement") amongst TAPC, WOGC, Odaat and Bloc NRG Corp (formerly 2361990 Alberta Ltd.) ("BlocNRG"). The implementation of the Plan of Arrangement was effective September 30, 2021. The effect of the Plan of Arrangement is to that WOGC became a standalone reporting issuer in the Provinces of Alberta and British Columbia independent of TAPC on December 6, 2021 upon filing of the Articles of Arrangement. The common shares of WOGC have been listed for trading on the Canadian Securities Exchange ("CSE") as of July 28, 2022. Upon listing on the CSE, WOGC became a reporting issuer in Ontario.

Effective January 1, 2021, the oil and gas assets and liabilities of TAPC were assigned to Odaat pursuant to the Plan of Arrangement. The transfer of assets was determined to be a business combination and has been accounted for using the acquisition method. The estimated acquisition date fair value of property and equipment was derived from the estimate of proved and probable oil and gas reserves and the related cash flows prepared by independent third-party reserve evaluators. The estimated proved and probable oil and gas reserves and the related cash flows were discounted at a rate based on what a market participant would have paid as well as market metrics in the prevailing area at that time. The estimated fair values of the net assets acquired and liabilities assumed have been calculated using market participant discount rates:

<b>Fair value of net assets acquired:</b>	
Working capital	278,794
Restricted cash held in trust	86,254
Exploration and evaluation assets	5,067
Property and equipment	2,715,975
Asset retirement obligation	(1,374,117)
Loan payable	(1,152,174)
<b>Total</b>	<b>559,799</b>
<b>Consideration paid:</b>	
Promissory note	100
<b>Gain on transaction</b>	<b>559,699</b>

As the acquisition was completed between companies under common control, the gain on the transaction has been charged to contributed surplus, a separate component of equity.



# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

The accompanying consolidated condensed financial statements have been prepared using the going concern assumption which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

For the period ended September 30, 2022, the Company generated net income of \$66,659 (2021 – \$11,080), has current liabilities in excess of current assets of \$1,312,488 (2021 - \$1,319,399) and an accumulated deficit of \$246,207 (2021 – \$312,865). The Company has relied on support from various creditors and lenders to finance its operations. The continued volatility in global commodity prices and equity markets caused in part by the COVID-19 pandemic and the war in Ukraine creates significant uncertainties which may impact the Company's future operations, revenues and its ability to access the capital necessary to execute on its business plans. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The future operations of the Company are dependent on the continued support from its creditors and lenders and the Company's ability to raise additional capital through equity or debt financings or the sale of assets. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

These consolidated condensed financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not appropriate, the adjustments required to report the Company's assets and liabilities on a liquidation bases could be material to these consolidated condensed financial statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation and measurement

Statement of compliance:

These consolidated condensed financial statements have been prepared in accordance with IAS 34 – “Interim Financial Reporting” of International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRIC”). The consolidated condensed financial statements of the Company include the accounts of WOGC and its wholly owned subsidiaries; Jadela Oil (US) Operating LLC (“Jadela US”), Odaat and BlocNRG. (collectively WOGC, Jadela US, Odaat and BlocNRG are referred to as (the “Company”) and have been prepared by management.

Except as outlined below, the consolidated condensed financial statements have been prepared using the same accounting policies and significant judgments, estimates, and assumptions as those used in the consolidated financial statements for the year ended December 31, 2021. These consolidated condensed financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS.

These consolidated condensed financial statements were authorized for issue by the Board of Directors on November 29, 2022.

### Changes in accounting policies

#### *Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)*

Effective January 1, 2022 the Company adopted the amendments to IAS 37 that specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The adoption of these amendments did not have a significant effect on the consolidated condensed financial statements.

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

### 3. RESTRICTED INVESTMENTS

Restricted investments are funds held in non-redeemable GIC accounts with terms of 14 months and earn 4.4% interest compounded annually. The investments are security for letters of credit in the amounts of \$118,000 and \$32,000 which are required by a processing plant to allow the Company to process their gas and take it in kind. The fees for the letters of credit are 2% per annum.

### 4. PROPERTY AND EQUIPMENT

<b>COSTS</b>	<b>Oil and Natural Gas Assets</b>	<b>Other assets</b>	<b>Total</b>
<b>Balance, December 31, 2021</b>	<b>\$ 2,785,353</b>	<b>\$ 3,472</b>	<b>\$ 2,788,825</b>
Disposal of oil and gas property	(8,505)	-	(8,505)
Asset retirement obligation revisions	(55,054)	-	(55,054)
<b>Balance, September 30, 2022</b>	<b>\$ 2,721,794</b>	<b>\$ 3,472</b>	<b>\$ 2,725,266</b>
<b>ACCUMULATED DEPLETION AND DEPRECIATION</b>			
<b>Balance, December 31, 2021</b>	<b>\$ 270,456</b>	<b>\$ 991</b>	<b>\$ 271,447</b>
Depletion and depreciation	61,566	528	62,094
<b>Balance, September 30, 2022</b>	<b>\$ 332,022</b>	<b>\$ 1,519</b>	<b>\$ 333,541</b>
<b>CARRYING AMOUNT</b>			
<b>December 31, 2021</b>	<b>\$ 2,514,897</b>	<b>\$ 2,481</b>	<b>\$ 2,517,378</b>
<b>September 30, 2022</b>	<b>\$ 2,389,772</b>	<b>\$ 1,953</b>	<b>\$ 2,391,725</b>

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

### 5. LOAN PAYABLE

	September 30, 2022	December 31, 2021
Loan payable, beginning of period	\$ 1,086,488	\$ -
Acquisition	-	1,152,174
Interest accrued	3,086	-
Repayments	(9,400)	(65,686)
<b>Loan payable, end of period</b>	<b>\$ 1,080,174</b>	<b>\$ 1,086,488</b>

By novation agreement effective January 1, 2021, WOGC and Odaat agreed to assume the obligations to Smoky ("WOGC/Odaat LPA") under the TAPC LPA and Smoky released TAPC from the obligations upon completion of the Plan of Arrangement and in accordance with the Transition Agreement. WOGC and Odaat granted a general security agreement in favour of Smoky pledging all of the assets in support of the debt. WOGC/Odaat are not in compliance with the terms of the WOGC/Odaat LPA as general and administrative charges have exceeded the maximum allowable amounts as noted above. As of the date of approval of these consolidated financial statements, the lender has not demanded repayment but retains the right to do so.

### 6. ASSET RETIREMENT OBLIGATIONS

The Company estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately \$1,525,443 (2021 - \$1,431,859). A risk-free interest rate of 3.32% (2021 - 1.25%) and an estimated inflation rate of 2.0% (2021 - 1.4%) was used to calculate the present value of asset retirement obligations.

The following table reconciles the asset retirement obligations:

	September 30, 2022	December 31, 2021
Balance, beginning of period	\$ 1,327,713	\$ 30,176
Acquisitions	-	\$ 1,374,117
Revisions	(55,054)	(82,950)
Reclamation expenditures	(63,605)	(388)
Adjustment on disposal	(4,735)	
Foreign exchange	790	(296)
Accretion	28,432	7,054
Balance, end of period	1,233,541	1,327,713
Less: current portion	(232,213)	(288,826)
<b>Long term portion</b>	<b>\$ 1,001,328</b>	<b>\$ 1,038,887</b>

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

### 7. SHARE CAPITAL

Authorized:

Unlimited	Common voting shares with no par value
Unlimited	Preferred shares, issuable in series, with rights and privileges to be determined at time of issue

Issued:

<b>Common shares</b>	<b>Number of shares</b>	<b>Value</b>
Balance, December 31, 2020	100	\$ 100
Plan of arrangement	10,512,568	-
Shares returned to treasury	(100)	-
Restated balance, December 31, 2020	10,512,568	100
Private placements	2,000,000	100,000
Share issued to settle accounts payable	684,300	34,215
<b>Balance, December 31, 2021 and September 30, 2022</b>	<b>13,196,868</b>	<b>\$ 134,315</b>

### 8. RELATED PARTY TRANSACTIONS

The Company has determined that the key management personnel of the Company consist of its officers and directors. The following table provides information on compensation expense related to officers and directors.

	<b>September 30, 2022</b>	<b>September 30, 2021</b>
Consulting fees to companies controlled by directors	\$ 158,650	\$ 117,753

Included in accounts payable are amounts owing to a company controlled by directors \$54,000 (2021 – \$14,700).

The Company incurred interest expense of \$48,451 (2021 – \$51,260) during the period ended September 30, 2022 on the loan payable. All obligations owing are secured by a general security agreement charging all of the assets of WOGC/Odaat. Gregory J. Leia is President and a director of WOGC, Odaat, Jadela US and BlocNRG and is an officer and director of Smoky Oil & Gas Corp. Gregory J. Leia owns approx. 65% of the common shares and preferred shares of Smoky.

### 9. PER SHARE AMOUNTS

Basic income (loss) per share has been calculated using the weighted average number of common shares outstanding during the period of 13,196,868 (2021 – 10,512,568).

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

### 10. FINANCIAL INSTRUMENTS

The Company's financial instruments are exposed to certain financial risks, including credit risk, capital market risk and liquidity risk, interest rate risk, commodity price risk and foreign exchange risk.

Financial instruments, consisting of cash and cash equivalents, short term investments, trade and other receivables, restricted cash held in trust, accounts payable and accrued liabilities, and loan payable are recorded at amortized cost. There are no financial instruments recorded at fair value. The Company classifies the fair value of these transactions according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy as following:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

At September 30, 2022, the Company's financial instruments approximate their fair value due to their current nature.

#### As at September 30, 2022

<b>Financial instrument</b>	<b>Classification</b>	<b>Carrying Value (\$)</b>	<b>Fair Value (\$)</b>
Bank indebtedness	Amortized cost	2,462	2,462
Trade and other receivables	Amortized cost	80,427	80,427
Short term investments	Amortized cost	14,219	14,219
Prepaid expenses and deposits	Amortized cost	106,954	106,954
Restricted cash held in trust	Amortized cost	213,800	213,800
Accounts payable and accrued liabilities	Amortized cost	264,447	264,447
Loan payable	Amortized cost	1,080,174	1,080,174

Credit risk – Consists of cash and cash equivalents, restricted cash held in trust and trade and other accounts receivable. A portion of the Company's trade accounts receivable are with joint venture partners in the petroleum and natural gas industry and are subject to normal credit terms. The Company generally extends unsecured credit to these customers and, therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. The carrying value of accounts receivable reflects management's assessment of the associated credit risk. The Company is also exposed to credit risk on certain deposits to the extent that the Company may not be refunded these amounts. The Company does not anticipate any default or non-performance by its oil and gas sales customers. As such, a provision for doubtful accounts has not been recorded at September 30, 2022.

# WASKAHIGAN OIL & GAS CORP.

## NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL STATEMENTS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

In Canadian Dollars

Liquidity risk - The Company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation. The Company has, to date, required funds from private placements to finance capital expenditures and operations (see note 1).

The Company's financial liabilities and contractual obligations as at September 30, 2022 are due as follows:

Accounts payable and accrued liabilities	\$	264,447	Due within 90 days
Loan payable	\$	1,080,174	Due on demand

Commodity price risk - The Company is exposed to oil and gas commodity price risk and has not entered any financial derivatives to manage this risk.

	September 30, 2022		September 30, 2021	
Commodity price risk sensitivity	Increase (decrease) to net income		Increase (decrease) to net income	
Increase of \$1.00/bbl oil	\$	94	\$	358
Decrease of \$1.00/bbl of oil	\$	(94)	\$	(358)
Increase of \$0.10/Mcf of natural gas	\$	12,679	\$	16,869
Decrease of \$0.10/Mcf of natural gas	\$	(12,679)	\$	(16,869)

Interest rate risk – The risk that future cash flows will fluctuate as a result of changes in market rates. The Company is exposed to fair value interest rate risk on its loan payable as the rate is fixed.

### 11. CAPITAL DISCLOSURES

The Company' has defined its capital to mean its consolidated shareholders' equity and loan payable. The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by maintaining sufficient levels of liquidity to fund and support its exploration and development as well as other corporate activities. The Company's capital historically has been derived from the issuance of equity or debt. Management monitors its financial position on an ongoing basis. Equity or debt are issued to exploration programs and the Company's operations (see note 1).

### 12. REVENUE

The Company sells its oil, natural gas, and natural gas liquids production pursuant to variable price contracts. The transaction price for variable priced contracts is based on a benchmark commodity price, adjusted for quality, location or other factors, whereby each component of the pricing formula (apart from the benchmark commodity price) can be either fixed or variable, depending on the contract terms. Revenues are typically collected on the 25th day of the month following the prior month's production, with revenue being recorded once the product is delivered to a contractually agreed upon delivery point.

The following table presents the Company's production disaggregated by revenue source:

	September 30, 2022		September 30, 2021	
Crude oil	\$	11,470	\$	24,167
Natural gas		702,858		572,023
Condensate		229,728		124,760
<b>Total</b>	<b>\$</b>	<b>944,056</b>	<b>\$</b>	<b>720,950</b>

## APPENDIX “F”

### INFORMATION ABOUT WOGC PRE PLAN OF ARRANGEMENT

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## 1. SUMMARY

The following summary of the principal features of this Information Circular and should be read together with the more detailed information, financial data and statement contained and incorporated by reference elsewhere in this Information Circular.

The summary information with regard to the business of Waskahigan Oil & Gas Corp should be read together with: (a) the audited consolidated financial statements of WOGC for the fiscal periods ending December 31, 2020 and 2021; (b) the unaudited consolidated financial statements of WOGC for the 9 months ended September 30, 2022; and (c) the GLJ Report.

### **The Business of WOGC**

WOGC is a junior oil and gas exploration and development company with its main assets located near Fox Creek, Alberta. WOGC has one subsidiary: Fox Creek Energy Ltd. (“FCE”). FCE has two subsidiaries: (a) Odaat and (b) Jadela US. The Canadian oil and gas assets of WOGC are owned through a wholly owned subsidiary Odaat. Eight of ten of its wells produce from the Gething and Dunvegan geological formations and are half way through their productive life of 25 years. Five of eight of the Gething wells are shut in. On the strength of Dunvegan production from one well (8-30-62-21 W5th) the Company had oil and gas sales of \$1,039,245 for fiscal year ended December 31, 2021. The Company had a loss of \$17,123 for the fiscal period ended December 31, 2021. For the fiscal period end December 31, 2021, Odaat produced natural gas on average of 573 mcf/d (95.5/boe)(average price of \$3.86 Cdn/mcf), produced NGL on average of 9 b/d (average price of \$60.00 Cdn/b) and produced oil on average of 1 b/d (average price of \$71.33 Cdn/b) (aggregate approx. 106 boe/d). The average netback was \$11.74 per boe. (See Page \_\_\_). Two wells (15-24-63-24 W5th and 6-30-63-23 W5th) were reactivated February 1, 2023. Adding \_\_\_ mcf /day. Five wells have been shut in since May 2020 because the Paramount/Spartan Deep Valley processing plant required processing plant workovers which Paramount/Spartan were unwilling to undertake, Odaat is working with Spartan and Murphy to build a pipeline connection from its Deep Valley wells to a CNRL pipeline and to ship the gas to the CNRL Waskahigan gas processing plant. It is expected that the pipeline will be constructed in June and commissioning by the end of July 2023. The expected construction cost of the 800 meter pipeline connector is approx. \$430,000. Odaat would be responsible for its pro rata share based on anticipated production going into the line by Odaat/Spartan/Murphy. It is expected that Odaat share will be 50% or \$215,000. It is estimated that there will be an additional \$135,000 in pipeline reactivation capital and operational costs.

The producing well (8-30-62-21 W5th) was only producing out of the Dunvegan formation. Was capable of producing from the Gething zone. A workover took place in October – but the Gething formation did not produce the expected production due to fluid in the hole. Odaat is working on a plunger solution – hopes to have in place in next 30 days.

The Company has the capacity to produce without additional capital or a significant increase in general and administrative expenses: 1,800-2,000 mcf/d of natural gas (300 boe/d), 3 b/d of oil; and approx. 25 bd of NGL’s (aggregate 328 boe/d).

For the fiscal period ended December 31, 2022, General administrative expenses were \$297,587 (see page 26). Interest cost were \$71,948. The AECO spot price on February 21, 2023 was \$2.68 Cdn/GJ. The BP forward price strip for natural gas for March 2023 was \$2.31; for April to October \$1.98 and from November 2023 to March 2024 \$2.96 Cdn/GJ.

At present, the majority of the natural gas produced by Odaat are sold through the NGTL Pipeline. The oil and gas assets of WOGC have been evaluated as of December 31, 2021 by GLJ for WOGC which summary is contained in Form 51-101 F1. The GLJ Report states that the WOGC assets have a pre-tax value of \$6,955,000 as of December 31, 2021 at a 10% discount rate before tax. The report is based on approx. 573 mcf/d proved producing production (see page 33) at natural gas pricing of \$3.40 for 2022 and \$3.10 for 2023 (see page 35). There is \$1,086,488 owing to the secured creditor Smoky as of December 31, 2021. The audited financial statements for the fiscal period ended December 31, 2021 disclose \$1,327,713 in abandonment and remediation liability calculated using a 1.25% discount rate which varies from rates used by GLJ in the preparation of the GLJ Report. As of December 31, 2021, WOGC had in excess of \$245,000 in deposits to secure abandonment and remediation obligations. In September 2022, Odaat an additional \$118,000 of deposits to secure ARO obligations and \$32,000 to secure processing fees with CNRL. Odaat has a \$57,000 deposit with the Government of Alberta for unpaid crown royalties. There has been no bankruptcy receiverships or similar proceedings against WOGC or any of its subsidiaries or any voluntary bankruptcy receivership or similar proceedings. of and processing plant access. The Company have drilled any new Gething/Dunvegan wells since acquired the Waskahigan Assets in July 2017. The Company's future performance depends on many things. Its ability to discover and develop oil and gas at economically recoverable quantities, the prevailing market price of commodities it produces, its ability to secure the required financing and to secure operating and environmental permits to allow it to develop the assets.

### **Oil & Gas Properties**

A description of the oil and gas properties of WOGC are set out in Part 3. The properties were evaluated by GLJ effective December 31, 2021.

### **Selected Financial Information and Plan of Arrangement Accounting Adjustments**

As part of the Plan of Arrangement the assets (other than tax losses and tax pools) and liabilities of TAPC were assigned to Odaat as of January 1, 2021. The common shares of WOGC were dividend to the shareholders of TAPC. Upon completion of the Plan of Arrangement, other than the value for the oil and gas assets (see Note 1) the balance sheet and income statement accounts of TAPC became the balance sheet and income statement accounts of WOGC on a consolidated basis. Therefore it is relevant to use TAPC comparative data in evaluating WOGC performance for the period from January 1, 2019 to December 31, 2020. Set forth below is a summary of certain selected audited of TAPC as of December 19, 2019 and December 31, 2020 (immediately before giving effect to the Plan of Arrangement) and the audited balance sheet information of WOGC to December 31, 2021, after giving effect the Plan of Arrangement.

<b>ASSETS</b>	<b>TAPC Audited Dec 31, 2019</b>	<b>TAPC Audited Dec 31, 2020</b>	<b>WOGC Audited Dec 31, 2021</b>
Cash and Cash Equivalents	\$2,849	\$46,533	\$18,003
Restricted Cash			70,000
Trade Receivables	161,179	77,145	94,070
Short term investment	14,216	14,216	14,218
Deposits and Prepaid expenses	<u>76,852</u>	<u>73,382</u>	<u>56,148</u>
<b>Total Current Assets</b>	\$255,091	\$211,276	\$252,439
Oil & Gas Assets (net of depletion)(1)	1,505,882	1,888,775	2,517,378
Exploration and Evaluation Assets		5,067	11,036
Restricted Cash held in Trust	<u>211,013</u>	<u>210,883</u>	<u>211,021</u>
<b>TOTAL ASSETS</b>	\$1,971,989	\$2,316,001	\$2,991,874
<b>LIABILITIES</b>			
Accounts Payable and accrued liabilities	\$197,450	\$271,246	\$188,301
Loan Payable to Smoky	1,305,798	1,152,174	1,086,488
Long Term Loan		30,900	
Deferred Revenue	5,668	10,427	8,223
Asset Retirement Obligation (Note 2)	<u>872,921</u>	<u>1,404,293</u>	<u>1,327,713</u>
<b>TOTAL LIABILITIES</b>	\$2,381,837	\$2,869,040	\$2,610,725
<b>SHAREHOLDER EQUITY</b>			0
Share Capital	12,544,623	12,544,623	\$134,315
Contributed Surplus	10,151,442	10,151,442	559,699
Deficit	(\$23,105,913)	(\$23,249,104)	(\$312,865)
<b>TOTAL LIABILITY AND SHAREHOLDER EQUITY</b>	\$1,971,989	\$2,316,001	\$2,991,874

Note 1: Property and Equipment were recorded on the books of the Vendor as of December 31, 2020 at \$1,888,775. TAPC and Odaat agreed to transfer the property for \$2,715,975 to reflect the engineered value using approximately a 20% discount rate as per the report of GLJ Ltd for TAPC effective December 31, 2020.

Note 2: For period ended 2021 the credit adjusted risk free discount rate was 1.25% (compared with 0.25% for 2020 and 6% for 2019). An estimated inflation rate of 2.0% was used in 2021 (compared with 1.4% in 2020 and 2019) to calculate the present value of the asset retirement obligations.

## **2. CORPORATE STRUCTURE**

### **2.1 Name, Address and Incorporation**

Waskahigan Oil & Gas Corp was incorporated under the ABCA on February 26, 2007. Its head office and registered office is 203, 221-10<sup>th</sup> Avenue SE, Calgary, Alberta, Canada T2G 0V9.

### **2.2 Jurisdiction of Incorporation of WOGC, FCE, Odaat and Jadela US**

*Corporate History of Waskahigan Oil & Gas Corp.* Relentless DIP Fund 1 LP Corp was incorporated pursuant to the laws of Alberta on February 26, 2009. On May 22, 2012, Relentless DIP Fund 1 LP Corp amended its articles and changed its name to Jadela Disposal Well Corp. On May 22, 2012, WOGC assigned its interest in the Ft Nelson Disposal Well to Jadela Disposal Well Corp. On January 12, 2021, Jadela Disposal Well Corp amended its articles and changed its name to Waskahigan Oil & Gas Corp. On April 6, 2021, Waskahigan Oil & Gas Corp amended its articles to remove private company restrictions and restrictions on transfer of shares. Gregory J. Leia has been a director since February 26, 2009. Effective January 12, 2021, Gerald Roe, Tracy Zimmerman and Craig Leggatt became directors of WOGC. Gregory J. Leia was the President of WOGC since February 26, 2009. Effective January 12, 2021, Tracy Zimmerman became the chief financial officer. Effective January 12, 2021, Gerald Roe and Craig Leggatt became audit committee members.

*Corporate History of Fox Creek Energy Ltd.* 2361990 Alberta Ltd. was incorporated pursuant to the laws of Alberta on July 15, 2021. 2361990 Alberta Ltd. changed its name to Bloc NRG Corp. on December 13, 2021. On December 19, 2022, BlocNRG Corp changed its name to Fox Creek Energy Ltd. The sole officer and director is Gregory J. Leia.

*Corporate History of Odaat Oil Corp.* 2313838 Alberta Ltd. was incorporated pursuant to the laws of Alberta on January 12, 2021. On January 12, 2021, Gregory J. Leia, Gerald Roe, Tracy Zimmerman and Craig Leggatt became the directors of Odaat. On January 12, 2021, Gregory J. Leia became the President and Tracy Zimmerman became the chief financial officer. On January 12, 2021, Gerald Roe and Craig Leggatt became audit committee members.

*Corporate History of Jadela Oil (US) Operating LLC.* Jadela Oil (US) Operating LLC was formed as a limited liability company pursuant to the laws of Texas, USA on March 14, 2011. The Manager is Gregory J. Leia. Jadela US was formed to own the US assets of WOGC.

### **2.3 Intercorporate Relationships**

WOGC owns 100% of the shares of FCE. FCE owns 100% of the common shares of Odaat and Jadela US. Effective January 1, 2021, TAPC transferred 100% of the shares of Jadela Oil (US) Operating LLC to WOGC. Effective January 1, 2021, TAPC transferred all of its assets and liabilities to Odaat Oil Corp. Effective January 1, 2023, WOGC transferred 100 percent of the common shares of Jadela US and Odaat to FCE.

## 2.4 Fundamental Change

WOGC became a reporting entity in Alberta and British Columbia on December 6, 2021 (effective September 30, 2021) when TAPC, WOGC and Odaat filed Articles of Arrangement implementing the Plan of Arrangement.

## 2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada

This section is not applicable to the Company.

## 3.0 GENERAL DESCRIPTION OF THE BUSINESS

### 3.1 Business of the Company

The Company is an energy company based and operating in the province of Alberta, Canada engaged in petroleum and natural gas exploration and development activities in western Canada.

Because WOGC acquired its oil and gas assets from TAPC (effective January 1, 2021), the history of the assets until December 31, 2020 is the history of TAPC.

**TAPC History from 1999 to May 2011:** From incorporation of TAPC through to May 2011, TAPC was involved in the oil and gas business. Through different names and through joint ventures and subsidiaries TAPC provided technical assistance or drilled wells on farmin properties or participated in the drilling of oil and gas wells in the Western Canadian Sedimentary Basin. By May 2011, TAPC had the following interests:

	Lic #	WOGC %	Legal	Name	Operator	WI Partners
1	W0342969	15.4%	05-10-66-15 W5th	Teal-Meekwap	Whitecap Resources	Whitecap Resources
2	W0343853	15.4%	02-03-65-16 W5th	Kaybob	Whitecap Resources	Whitecap Resources
3	W0347945	30.0%	02-05-01-08 W4th	Pendor	i3 Energy Canada	i3 Energy Canada
4	W0349225	30.0%	04-04-01 08 W4th	Pendor Bear Creek	i3 Energy Canada	i3 Energy Canada
5	W0343717	30.0%	09-09-03-09 W4th	Bryant Coulee	13 Energy Canada	13 Energy Canada
6	W0415342	16.25%	01-22-65-08 W6th	Wapiti	Modern Resources	Modern Resources
7	W0027251	35%	10-29-30-03 W5th	Crossfield Ellerslie	WOGC	ExxonMobil Canada Energy 65%
8	WA#22847	30%	c-67-K/94-I-14	BC Disposal well	Cancen Oil Processors BC Inc	Cancen 70%

### TAPC History from May 2011 to December 2011 in Canada

TAPC was involved in three transactions in the Western Canadian Sedimentary Basin from May 2011 to December 2011. Pursuant to the WLEL Farmout Agreement, Western Lion agreed to pay 100% of the proportionate cost (35%) to drill a 1,100 meter horizontal multistage Viking well and complete such well using propane as a frac fluid under Section 29-30-03 W5 (Crossfield, Alberta). The other 65% was owned by Exxon. Western Lion would earn a net 21% WI (being 60% of TAPC's 35% WI) in the WOGC Viking Well and a net 17.5% WI (being 50% of TAPC's 35% WI) in the remainder of the Farmout Lands (described as the Viking formation in the Section 29-30-3 W5thM as described in crown PNG lease # 28725). In the second quarter of 2011, TAPC as operator, served Western Lion with AFE's and cash calls totaling \$1,602,724. Both Exxon and Western Lion signed the AFE's. Certain work was completed on the proposed well site. On or about July 25, 2011, Western Lion had not provided TAPC, as operator, any monies required to be deposited under the WLEL Farmout Agreement or the cash call. The proposed drilling of the TAPC's Viking well was postponed and the excess partner cash call funds returned to Exxon. TAPC incurred oil

and gas drilling costs as operator on behalf of the Western Lion in the amount of approximately \$109,890. TAPC, as operator, is required to reclaim the surface lease site owned by the surface owner at a cost of approximately \$100,000. Western Lion was responsible for paying 35% of these costs being the approximate amount of \$35,000. TAPC obtained a judgment against Western Lion for \$144,890 but was unable to collect. The obligation of TAPC to reclaim the surface lease site has been assumed by WOGC. WOGC has placed \$35,000 in trust to satisfy the working interest obligation and will be serving Exxon with an AFE requiring Exxon to pay their proportionate share (estimated to be \$65,000) After the default by Western Lion, TAPC farmed out its right to 35% of the Viking formation in Section 29-30-03 W5th to Angle Energy Inc. (which was taken over by Bellatrix Exploration Ltd. which sold the asset to Transglobe) which earned 80% of the 35% by drilling a horizontal Viking formation well. WOGC maintains a 7% working interest.

	Lic #	WOGC %	Legal	Operator	WI Partners
1	W0443311	7%	12-29-30-03W5M	Transglobe	Transglobe 80% - Exxon 13%

TAPC sold 8% of its 30% working interest in the disposal well/waste facility to Cancen Oil Processors BC Inc. The resulting ownership was as follows:

	Lic #	WOGC %	Legal	Operator	WI Partners
1	WA #22847	22%	c-67-K/94-I-14	Cancen Oil Processors BC Inc	Cancen Oil Processors BC Inc 78%

WOGC has a 22% interest (\$124,630) in a \$566,500 deposit with the British Columbia Oil & Gas Commission to secure the ARO obligations with respect to this well.

#### **TAPC History from May 2011 to December 2020 in the US**

TAPC raised approximately \$11.5MM to acquire in petroleum and natural gas rights in Texas which were prospective for oil in the Eagleford formation in Maverick County, Texas. TAPC incorporated a wholly subsidiary called Jadela US. Jadela US drilled a 2,400 foot test well and fraced the well with propane using GASFRAC technology. The first of its kind in Texas. Jadela US had technical issues with producing the well. Jadela US sold a partial interest to Strata – X Ltd. in 2012.

Jadela US acquired its rights through a series of agreements with EIIC, a company owned by an officer and director of WOGC, which in turn entered into a series of agreements with respect to the mineral rights under a 5,576 acre tract in Maverick County, Texas. EIIC entered into a farmout agreement with two private companies, Red Arrow Energy LLC and CMR Energy LP to farm in to 5,576 gross acres (net 4,915 acres) which had been leased by Red Arrow Energy LLC/CMR Energy LP from: (a) Cinco 1994 Family Limited Partnership Ltd.; (b) a lessor which owned approximately 673 net acres within the 5,576 acre tract; and (c) 8 other mineral lessors which owned approximately 160 net acres within the 5,576 acre tract. Pursuant to the EIIC/RA/CMR Farmout Agreement, EIIC has earned a 87.5% working interest in 660 acres as a result of drilling a 2,400 foot horizontal well called El Indio #1H. On April 26, 2011, Jadela US entered into a sub-farmout agreement with EIIC to earn a 65% interest. The 660 acre land lease has been terminated by the lessor because Jadela US has not produced the minimum required production.

The assets were written off in 2015. El Indio #1 well was abandoned and remediated in the summer of 2022.

## TAPC History from July 2017 to December 31, 2020 in Canada

On July 31, 2017, TAPC completed the purchase of the Waskahigan Assets.

The Waskahigan Acquisition included 8 wells and associated production of approximately 1,800 mcf/d of dry sweet natural gas and 17 barrels of natural gas liquids per day. TAPC acquired mineral rights to 22 gross sections (15.19 net sections) (14,080 gross acres 9,726 net acres). The majority of the mineral rights are above Bullhead Bullhead Group formation (primarily Dunvegan, Notikewin and Gething formation) near Fox Creek, Alberta. TAPC acquired oil and gas assets of \$1,577,590 and asset retirement liabilities of \$324,664. The final adjusted purchase price for the Waskahigan Assets was \$1,252,926 after giving effect to customary purchase adjustments. The transactions costs incurred on the acquisition of \$52,500 were expensed. This acquisition was accounted for using the acquisition method of accounting, which only includes operating results subsequent to the date of acquisition. The fair value of the petroleum and natural gas purchased had been determined with reference to an independent reserve report and equates the purchase price above. The fair value of the ARO was initially estimated using a credit adjusted rate of 13 %.

The calculation of the final statement of adjustments is set out below:

	\$
<b>Purchase Price:</b>	
P&NG Rights	\$1,120,000
Tangibles	279,990
Miscellaneous Interest	10
GST on Tangible	<u>14,000</u>
<b>Total Purchase Price</b>	<b>\$1,414,000</b>
<b>Adjustments</b>	
Interest	\$ 9,528
Net Operating Income	(257,412)
P&NG Rental Payments	6,230
Surface Rental Payments	6,898
Inventory (Oil & NGL)	41,928
Taxes and fees	<u>31,754</u>
<b>Consideration paid</b>	<b>\$ 1,252,926</b>



As a result of the purchase TAPC acquired working interest in the following wells:

	Active	WOGC %		Operator	Working Interest Co-owner	Co-owner %
1	W 0404456	100%	8-30-62-21-5	WOGC		
2	W 0324655	100%	6-30-63-23-5	WOGC		
3					Canadian Natural Resources	20.825%
					Lintin Resources Ltd	6.25%
	W 0349170	64.5875%	5-32-63-23-5	WOGC	ARC Resources Inc	8.3325%
4	W 0384134	67%	7-19-63-24-5	WOGC	Mancal Energy Inc.	33%
5	W 0363586	67%	3-20-63-24-5	WOGC	Mancal Energy Inc.	33%
6	W 0349372	50%	15-24-63-24-5	WOGC	CNRL	50%
7	W 0384899	100%	16-32-63-24-5	WOGC		
8	W 0413725	75%	16-9-63-25-5	WOGC	Spartan Delta Corp	25%
9	W 0384183	100%	8-24-63-25-5	WOGC		

On July 31, 2017, TAPC entered into a Loan and Participation Agreement (TAPC LPA) with Smoky and 1454871 which are related companies by way of common directors and officers. Pursuant to the terms of the TAPC LPA, Smoky lent TAPC the sum of \$1,326,593 to make the acquisition of the Waskahigan Assets. The interest rate on the loan principal is 6% per annum. All obligations owing were secured by a general security agreement charging all of the assets of TAPC (as assigned to WOGC.) The loan was a demand loan. WOGC and Odaat agreed (WOGC/Odaat LPA) to assume the obligations to Smoky under the TAPC LPA. All of the assets of WOGC, Odaat and Jadela US are secured by a general security agreement in favour of Smoky. Pursuant to the TAPC LPA provisions, while loans are outstanding, TAPC was restricted to charging general and administrative costs to a maximum of \$75,000 per year for administration of the Waskahigan Assets (WA G&A Cap Obligation). As of December 31, 2020, TAPC was in default of its WA G&A Cap Obligation.

Smoky has not waived the default by WOGC to repay the \$450,360 due under the WA G&A Cap Obligation, which is represented in the table below:

Year	G&A	Cap	Net
2018	195,473	\$75,000	\$120,473
2019	233,523	75,000	158,523
2020	263,882	75,000	188,882
2021	<u>297,587</u>	<u>75,000</u>	<u>222,587</u>
	990,465	\$300,000	\$690,465
Payments			<u>-240,105</u>
Balance owing by WOGC to Smoky pursuant to G&A Cap Obligation			\$450,360

Pursuant to the WOGC/Odaat LPA provisions, while the loans are outstanding, WOGC shall be restricted to charging general and administrative costs to a maximum of \$75,000 per year for administration of the Waskahigan Participation Assets (as defined below) (WPA G&A Cap Obligation). There are no Waskahigan Participation Assets and as such WOGC is not in any breach of any WPA G&A Cap Obligation.

The TAPC LPA was subject to changing accounting treatments. For the fiscal year ended December 31, 2018, the interest rate charged on the related party loan was deemed to be below the interest market rate which was estimated to be 15%. The expected future cash flows from the loan were discounted by 15% and the resulting difference of \$491,920 between the fair value of the loan and the face value was charged to contributed surplus when the loan was initially recognized. On May 6, 2019, the TAPC LPA was amended and the loan was converted to a demand loan. When the loan was modified to a demand loan, the entire value became a current liability and was required to be shown at face value which resulted in a \$399,408 loss on the modification of the debt which was included in profit and loss. For the fiscal year ended December 31, 2020, the interest on the loan is recorded at the 6% stated rate from the loan agreement rather than the 15% market rate which was used for the fiscal period ended December 31, 2018.

There were no purchases since January 1, 2021, other than TAPC acquired PNG rights to SE 21-63-25-W5th in land auction on April 21, 2021 on behalf of Odaat.

**TAPC Oil & Gas Production from January 1, 2018 to December 31, 2020**

**WOGC Oil & Gas Production from January 1, 2021 to February 2023**

Unless hedged, TAPC received a reference price referred to as AECO. The average processing charge is \$1.00/mcf/d. The NGTL transportation charge is approx. \$0.24 mcf/d other variable operating costs are \$0.20/mcf/d. Unless TAPC could realize \$1.00/mcf/d net of processing fees, NGTL transportation and variable operating costs, or other arrangements made to reduce the processing costs, then TAPC would shut in its production. TAPC shut in its production for parts of the years 2017 through 2020.

**Deep Valley:** Odaat (as assigned by TAPC) has 5 wells (7-19-63-24 W5th, 3-20-63-24 W5th, 16-32-63-24 W5th, 16-09-63-25 W5th and 8-24-63-25 W5th) which flow into the processing plant in Deep Valley owned 75% by Paramount and 25% by Spartan (formerly owned by Cequence)(Maddenville meter station on the NGTL Pipeline). The plant was closed May 31, 2020 to make repairs. Two other producers produce into the plant (Murphy and Cequence – now Spartan). Cequence filed for creditor protection on May 29, 2020 and emerged in September 2020. Cequence sold its interest in the Deep Valley plant and in two well which produce into the Deep Valley plant in March 2021 to Spartan. WOGC, Spartan and Murphy have been unwilling or unable to pay Paramount \$400,000 to repair the plant and the plant remains closed. It is uncertain how long the plant will remain closed. NGTL has announced that it intend to permanently terminate the Maddenville meter station. It also has advised that part of the lateral pipeline from Keya plant to the Maddenville meter station has a leak.

**Tony Creek:** Production from one well (8-30-62-21 W5th) which is normally processed through the i3 Energy's Tony Creek gas plant (Wooster meter station) (approx. 600 mcf/day).

**Waskahigan:** Production from 2 wells (15-24-63-24 W5th and 6-30-63-23 W5th) which was being processed through CNRL's Waskahigan plant (on Waskahigan meter station - NGTL) was shut in from September 1, 2017 (approx. 400/mcf/d) to February 2023.

**Crossfield:** Gas production from 10-29-30-03-W5 well has been shut in for 2019 because of mechanical issues. It is unlikely the resulting production will pay off the repair costs and it is likely Odaat will abandon this well. Exxon is responsible for 65% of the abandonment and remediation costs. Odaat has a 35% working interest in the well, subject to a 12.5% lessor's royalty. Odaat is the operator but subcontracts the operations to Transglobe. WOGC has SRP funds (\$35,000) to pay for the abandonment and remediation of the well and expects to serve Exxon with an AFE requiring Exxon to pay their proportionate share (\$65,000).

A Viking formation oil well under Section 10-29-30-03W5th was drilled in February and completed in April 2012. Odaat has a 7% working interest in the well and the well is producing.

**Northeast British Columbia Water Disposal Well/Waste Disposal Facility:** Odaat owns a 22% working interest in the Ft. Nelson British Columbia salt water disposal well (Kotcho c-B67-K 94-I-14). Cancen Oil Processors BC Ltd. owns 78% working interest and is the operator. The well has been shut in since 2016 and the operator has not provided any accounting information for the fiscal period. All of the surface equipment has been removed. Operating results include Odaat's share of revenues for the year ending December 31, 2021 of \$Nil (2020 - Nil) and operating expenses of \$Nil (2020 Nil). The operations have been restricted since 2016 due to low commodity prices and reduced activity in the Horn River, British Columbia area. Odaat and Cancen Oil Processors BC Ltd. have \$566,500 on deposit, of which 22% (\$124,629) is Odaat's portion, with the British Columbia Oil & Gas Commission under the Liability Management Rating program under the Oil & Gas Activities Act of British Columbia.

**FCE:** At present FCE has no assets other than the shares of Odaat and Jadela US.

**Texas:** The El Indio #1 well was abandoned and remediated in the summer of 2022. Jadela US will not be carrying our further activities in Texas.

### 3.2 Significant Acquisitions and Dispositions

There has been no significant acquisitions or dispositions by WOGC or its subsidiaries since July 2017 other than intercorporate asset transfers.

### 3.3 Trends, Commitments, Events or Uncertainties

The Company is primarily a natural gas producer and relies on natural gas pricing for profitability and return on investment for any new capital expenditures. The majority of natural gas produced in Alberta is sold to the US. Alberta natural gas sellers have unique issues but are influenced by the volume of natural gas being produced in North America and the volumes of natural gas being consumed or exported from the North American market. Horizontal fracking in shale natural gas formations commencing in 2010 was a game changer. Access to capital led to over drilling in North America US natural gas industry by 2017. Until the end of 2020, the US LNG infrastructure had not been sufficiently built to sell the excess production into the export market. North American production was greater than consumption and export in the North American market by 2017 causing a drop in natural gas prices. A decline in consumption caused by Covid-19 in 2020 caused a further drop in commodity prices. Low commodity prices resulted in creditor action against a number of energy companies in 2020. Low commodity prices were reflected in low stock market prices and losses for energy companies in 2019 and 2020. Low commodity prices led to restricted access to capital to continue to drill at the same pace. As a result, energy companies drilling was curtailed in late 2019 and 2020. Many companies went into debt restructuring, receivership or court monitored debt reorganization. Alberta producers had supplemental complicating factors. The assets which the Company acquired in July 2017 and the assets which it is seeking to acquire and develop in 2022 are near Fox Creek, Alberta in the Upstream James River natural gathering system of NGTL. Pipeline constraints and other market factors during the years 2018, 2019 and 2020 resulted in challenging financial years for Alberta natural gas producers. It was very difficult for small cap companies to borrow money from conventional banks or obtain equity financing. The number of TSX stock exchange listed oil and

companies decreased by a significant number resulting in reduced competition for PNG assets and capital. Commodity prices increased in 2021 and 2022. The Canadian federal government introduced climate change legislation which makes it difficult to borrow capital or raise equity. Because there is no Canadian export of LNG, Canadian producers cannot take advantage of high European natural gas prices caused by the Russia-Ukraine war.

So going into 2023, there are several events which make the Alberta natural gas business more attractive for small cap producers. World LNG prices have risen because of international events including the conversion of coal and oil as a fuel to generate electricity. Climate change initiatives will result in increased dependence on natural gas as the transition fuel. European natural gas prices have risen as a result of the Ukraine Russia war which started at the end of February 2022. European countries have committed to reduce their reliance on natural gas from Russia. The US has now become the world's largest LNG exporter. Infrastructure now exists in the US to transport and export North American natural gas production to overseas markets to balance supply and demand in the North American markets. The US shale drillers have not recommenced drilling new wells at the same pace. In Canada, NGTL and other pipeline companies have increased capacity at the same time that production volumes decreased or did not increase at the same pace. This resulted in a lesser discount for Alberta producers as there was less competition for pipeline space. Stock prices for energy producers in Canada have risen. Equity is being raised in the Canadian market for small cap energy producers. There is increased pressure on mid size Alberta companies to abandon and remediate non-producing wells. This creates an opportunity for companies like WOGC. The confluence of these factors should make it more likely the Company will be able to achieve its goals in 2023 and beyond.

The Company's business has numerous inherent risks and uncertainties common to other junior mineral exploration companies. Management has identified the following potentially significant inherent risks and uncertainties specific to its operations and plans in the coming years.

There can be no assurance that the Company will continue to generate any revenues or maintain profitability. The revenues generated from operations are not sufficient to pursue future drilling operations. The Company will have to rely on the equity and debt financing to pursue business opportunities. Failure to obtain such financing could result in delay or the ability to complete proposed business opportunities. Whilst it has been successful at raising equity in the past, there can be no assurance that it will be able to do so in the future and its efforts to do so will be impacted from time to time by commodity prices and the state of the financial markets.

Except as disclosed in the Statement of Reserves, there can be no assurance that the activities of the Company will result in further discovery of petroleum or natural gas reserves or that any such discovery will be of sufficient size and grade to warrant production. Each of the wells and exploration permits which the Company holds or has a right to acquire an interest in is in the exploration stage only and without a known body of commercial reserves. After discovery, significant stages of exploration and assessment are required before economic viability can be determined, and development is dependent upon success at every stage. Very few precious or base metal properties that are explored are ultimately developed into production.

Petroleum and natural gas exploration and development activities involve risks which even a combination of experience, knowledge and prudence may not be able to overcome. The activities in which the Company is directly or indirectly involved will be subject to the hazards normally incidental to exploration activities which could result in injury and damage to life and property, possible adverse environmental impacts and possible legal liability for some or all of such injury, damage or impact. The Company could be exposed to significant defense costs and ultimate financial liability.

The Company is highly dependent on its key executive officers, the loss of any of which could have an adverse effect on the Company. Additionally, resource exploration activity worldwide can result in shortages of experienced technical field personnel. The inability of the Company to secure such personnel when required or at affordable prices could have an adverse effect on the Company's performance.

Management is not aware of any other trend, commitment, event or uncertainty that might reasonably be expected to have a material effect on the Company's business, financial condition or results of operations.

#### 4. NARRATIVE DESCRIPTION OF THE BUSINESS

##### 4.1 General

The principal business carried on and intended to be carried on by the Company is the acquisition, exploration and development of oil and gas properties. The principal business intended to be carried on by the Company will consist of the exploration and development of Gething and Dunvegan geological formation deposits in the Fox Creek area of Alberta. The formation are not "shale" formation production. Production may last for 25 years on low decline rates. The cost to maintain natural gas wells is significantly less than conventional and non-conventional oil production.

##### 4.1(1)(a) Business Objectives WOGC Expects to Accomplish in Following 12 Month Period

The business objectives WOGC is seeking to accomplish in the next 12 months are as follows:

##### 1. Operations:

- (a) complete workover of the Tony Creek (8-30-62-21-W5th well) (to increase production by 300 mcf/d);
- (b) complete construction of pipeline connecting the Odaat Deep Valley wells to the CNRL Waskahigan gas processing plant; and
- (c) commence production from 5 Deep Valley wells into CNRL plant at Waskahigan

##### 4.1(1)(b) Significant Milestones

Over the next twelve (12) months, the Company has set out the following objectives and has budgeted the corresponding costs to complete such objectives:

	Objective/Use	Milestone	Anticipated Cost	Estimated completion date
1.	Operations			
	(a) Repair 8-30 well		\$20,000	Q1 2023
	(b) Build pipeline		215,000	Q2/Q3
	(c) Upgrade 5 Deep Valley wells to meet AER Directive 60 environmental guideline		<u>135,000</u>	Q2/3 2023
			\$370,000	

In view of the foregoing, the principal milestones expected to occur by Q2/Q3 2023 for the business objectives described above to be accomplished with respect to the Company's are as follows:

Long Term Objective	What we must do and how we will do it	Anticipated Cost	Target Completion Date
Workovers of wells Increase production by 300 mcf/d	Repair the 8-30-62-21 W5th well	\$20,000	Q1 2023
	Build pipeline to connect to CNRL pipeline	215,000	Q2 2023
	Upgrade Deep Valley wells	135,000	Q2 2023
Increase production by 900 mcf/d	Commence Production into CNRL Waskahigan plant from 5 Deep Valley wells	\$370,000	Q3 2023

The target completion date is by late summer 2023 although there is no specific date during which this is expected to occur. The Company cannot guarantee that the objective will be met. Results will vary and are subject to numerous risks.

#### 4.1(1)(c) Funds Available and Use of Funds

For the nine month period ended September 30, 2022, the Company has positive cash flows from operating activities. The Company expects to pay for the \$370,000 in section 4.(1)(b) from: (a) loan from Smoky; (b) FCE Private Placement. There is no guarantee the Company can borrow the funds. See Risk Factors. The Company may be required to raise additional funds through the issuance of additional equity securities. There is no assurance that additional equity capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. See "Risk Factors"

The Company intends to spend the funds available to it as stated in this Information Circular. However, there may be circumstances where, for sound business reasons, a reallocation of the funds may be necessary. The amounts set forth above may increase if we are required to carry out due diligence investigations in regards to any prospective investment or business opportunity or if the costs of the Information Circular or Listing, or negotiating an applicable transaction, are greater than anticipated.

#### Future Financing

The Company is not planning any future financings other than raising \$500,000 to pay for the costs set out above.

## Administrative Costs

An estimate of the general and administrative expenses of the Company for the next 12 months is as follows:

<b>General &amp; Administrative Items</b>	<b>Costs</b>
Salaries	\$5,000
Legal Fees	100,000
Technical Studies	25,000
Accounting Fees	50,000
Overhead	50,000
Insurance	15,000
Regulatory fees and transfers	15,000
Land software	<u>20,000</u>
Subtotal	\$280,000
Interest on debt (\$1,085,000 at 6% per annum)	<u>65,000</u>
Total	\$345,000

### 4.1(2) Principal Products or Services

The Company's principal product are natural gas, oil and natural gas liquids. There is a global market for oil and gas derived products. The natural gas is sold to BP on a 1 year contract basis. Payment is made 1 month after the production month. The oil is sold to Tidal. Payment is made 1 month after production month. The liquid natural gas is sold by the gas plant operators and is accounted for in the month after the production month as a set off against processing fees. The Company is not dependent on a particular purchaser with regard to the sale of any product produced. There are no sales to controlling shareholders.

#### 4.1(3) Production and Sales

The table below sets forth the production by: (a) TAPC for the years 2019 and 2020; (b) WOGC for 2021; and (c) WOGC for Q3 2022:

		TAPC		WOGC	
		2019	2020	2021	Q3 2022
<b>Cdn \$</b>					
<b>Aggregate Production</b>					
	Natural gas (mcf)	358,065	373,365	209,097	287,569
	Natural Gas (boe)(6:1)	59,677	62,227	34,850	
	Oil (barrels)	1,460	710	429	--
	NGL (barrels)	3,285	4,144	3,349	
<b>Aggregate boe</b>		34,422	67,081	38,584	
<b>Average Daily Sales Volume</b>					
	Natural gas (mcf/d)	998	1,023	573	411
	Oil (barrels/d)	4	1.95	1	0
	NGL (barrels/d)	9	11.4	9	9
<b>Average Price Received</b>					
	Natural gas (mcf)	\$1.77	\$1.96	\$3.86	\$4.25
	Oil (barrel)	\$59.56	\$39.67	\$71.53	
	NGL (barrel)	\$44.64	\$31.25	\$60.00	
<b>Aggregate Sales</b>		\$ 864,571	\$888,867	\$1,039,245	\$720,950
<b>Royalties</b>		75,410	137,936	211,593	292,437
<b>Operating Expenses</b>		328,812	434,456	373,973	287,569
<b>Operating Expenses (boe)</b>		\$5.10	\$6.47	\$9.68	12.10
<b>Netback Received (boe)</b>		\$6.37	\$4.71	\$11.74	15.31

All of WOGC's mineral rights are owned by the Province of Alberta and continue in existence so long as the wells are productive and the royalties are paid. The business of WOGC may be affected in the next 12 months by: (a) the Tony Creek operator closing the plant, denying plant access, denying NGTL pipeline connection access or increasing rates which make production unaffordable; and (b) Deep Valley plant operator closing the plant permanently, denying plant access, denying NGTL pipeline connection access or making production unaffordable. In either case, WOGC has the right to acquire its own processing facilities and NGTL pipeline connection access. The Deep Valley plant is currently closed. WOGC intend to build its own processing plant and obtain NGTL Pipeline access within 12-24 months so any steps by the Deep Valley plant operator would be a short term matter.



There might be a financial and operational effect of environmental protection requirements on capital expenditures, earnings and the competitive position of WOGC in the current financial year and in future years. The AER (government agency which regulates environmental rules in Alberta) has introduced tougher regulations which require operators to repair any wells which vent methane. Typically wells which were drilled 15 years ago and were not properly cemented will vent. Additional repair costs could be \$100,000 per well. The AER is requiring operators to abandon non-productive wells in compliance with the regulations. The regulations require operators to take steps to commence the abandonment process if a well has not produced or is capable of commercial quantities for 12 months. Operators have able to defer the obligation stating that the well could produce in the future.

#### **4.1(4) Competitive Conditions**

The oil and natural gas industry is highly competitive. The Company encounters competition from other independent operators and from major oil companies in: acquiring oil and natural gas properties suitable for exploration, development and production; contracting for drilling equipment; securing trained personnel; obtaining transportation access to storage, refining and production infrastructure, and for capital to finance such activities. Many of these competitors have financial resources and personnel resources available to them that are substantially larger than that of the Company. If WOGC can farmout the development costs or have alternative electricity generators pay for the capital costs this will provide WOGC with a competitive advantage.

The Company may be unable to realize any value associated with its gas and oil properties and may be unable to acquire additional properties on terms it considers acceptable. There can be no assurances that the Company's activities will yield commercially viable results. See "Risk Factors".

The oil and gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements, all of which should be carefully considered by investors in the oil and gas industry. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted.

#### **4.1(5) Lending and Investment Policies and Restrictions**

This section is not applicable to the Company.

#### **4.1(6) Bankruptcy and Receivership**

The Company, or any of its subsidiary from time to time, has not been the subject of any bankruptcy, receivership or similar proceedings within the three most recently completed financial years.

#### **4.1(7) Material Restructuring Transaction**

The assets of TAPC were assigned to Odaat (a second tier subsidiary) effective January 1, 2021. On December 6, 2021 (effective September 30, 2021), TAPC dividdened the shares of WOGC (a first tier subsidiary) to the shareholders of TAPC which resulted in WOGC becoming a standalone reporting issuer in Alberta.

#### **4.1(8) Social or Environmental Policies**

The Company has not implemented any formal social or environmental policies. The Company intends to comply with all environmental laws and regulations applicable to its mineral operations and development activities.

#### **4.2 Asset-Backed Securities**

The Company does not have any asset-backed securities.

#### **4.4 ISSUERS WITH OIL & GAS PROJECT**

##### **4.3.1 Statement of Reserves - Valuation of the Oil & Gas Assets as of December 31, 2021**

The statement of reserves data and other oil and gas information set forth below is dated April 7, 2022, with the effective date thereof being December 31, 2021. All of WOGC's reserves herein reported were evaluated by GLJ, an independent qualified reserves evaluator, in accordance with NI 51-101 for the fiscal year ended December 31, 2021.

The reserves estimation and economic valuation summarizes the oil, liquids and natural gas reserves of WOGC and the net present values of future net revenue for these reserves using forecast prices and costs. The Statement of Reserves conforms to the requirements of NI 51101 -- *Standards of Disclosure for Oil and Gas Activities*.

The Statement of Reserves Data and Other Oil and Gas Information in Form 51-101F1 for WOGC and the Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor in Form 51-101F2 for WOGC, are attached as schedules "H" and "I", respectively, to this Information Circular. The Report of Management and Directors of WOGC on Reserves Data and Other information in Form 51-101F3 is attached as Schedule "J".

All Figures and Tables from the reports are reproduced in and form part of this Information Circular; a complete copy of the reports are available for review, in color, on SEDAR at the following website: [www.sedar.com](http://www.sedar.com).

#### **Reserves and Future Net Revenue**

The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and costs assumptions contained in the GLJ Report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the GLJ Report. The recovery and reserves estimate attributed to the Company's properties described herein are estimates only. The actual reserves attributable to the Company's properties may be greater or less than those calculated.

#### **Disclosure of Reserve Date**

The following tables provide information regarding the estimated Canadian reserves and net present value of future net revenue based on forecast prices and cost information with respect to the interests held by the Company for each of the product types that the Company has interests in for proved developed producing, proved developed non-producing, proved undeveloped, all proved in total, probable and all proved plus probable. Due to rounding certain columns may not add exactly. As required by NI 51-101 the estimates of reserves and future net revenue are estimated assuming that the development of each property in respect of which the estimate is made will occur, without regard to the likely availability to the Company of funding required for that

development. GLJ Ltd report dated April 7, 2022 effective December 31, 2021 state that the proved and producing assets of the WOGC are valued at \$6,955,000 at a 10% discount rate and \$5,413,000 at a 15% discount basis (before tax). Below sets for the summaries of the GLJ Report which can be found in the NI 51-101 Report of TAPC filed on May 2, 2022 under the profile of WOGC on www.sedar.com.

**SUMMARY OF OIL AND GAS RESERVES AND NET PRESENT VALUES OF FUTURE NET REVENUE**

**As of December 31, 2021**

**Forecast Prices and Costs**

RESERVES SUMMARY								
	Light And Medium Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net
Reserves Category	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mboc	Mboc
<b>Proved</b>								
<b>Producing</b>	2.6	2.1	1,541	1,375	25	20	284	252
<b>Developed Nonproducing</b>	0	0	2,316	2,055	37	30	423	372
<b>Undeveloped</b>	0	0						
<b>Total Proved</b>	2.6	2.1	3,857	3,430	62	50	708	624
<b>Total Probable</b>	0.8	0.6	1,320	1,191	21	18	242	217
<b>Total Proved Plus Probable</b>	3.3	2.7	5,177	4,621	84	68	950	841
NET PRESENT VALUE SUMMARY								
	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)					Unit Value Before Income Tax Discounted at 10%/year		
	0%	5%	10%	15%	20%			
Reserves Category	M\$	M\$	M\$	M\$	M\$	\$/boe		\$/Mcfe
<b>Proved</b>								
<b>Producing</b>	2,739	2,126	1,707	1,423	1,223	6.79		1.13
<b>Developed Nonproducing</b>	7,909	5,544	4,183	3,332	2,758	11.24		1.87
<b>Undeveloped</b>	0	0	0	0	0			
<b>Total Proved</b>	10,648	7,670	5,891	4,755	3,981	9.44		1.57
<b>Total Probable</b>	4,644	2,009	1,064	658	451	4.91		0.82
<b>Total Proved Plus Probable</b>	15,292	9,679	6,955	5,413	4,431	8.27		1.38
NET PRESENT VALUES OF FUTURE NET REVENUE AFTER TAX								
	After Income Taxes Discounted At (%/year)							
	0%	5%	10%	15%	20%			
Reserves Category	M\$	M\$	M\$	M\$	M\$			
<b>Proved</b>								
<b>Producing</b>	2,285	1,793	1,449	1,212	1,046			
<b>Developed Nonproducing</b>	6,029	4,255	3,215	2,561	2,118			
<b>Undeveloped</b>	0	0	0	0	0			
<b>Total Proved</b>	8,314	6,048	4,664	3,773	3,164			
<b>Total Probable</b>	3,586	1,558	823	508	347			
<b>Total Proved Plus Probable</b>	11,900	7,606	5,487	4,281	3,511			

At December 31, 2021, WOGC had \$200,000 of available non-capital loss carry forwards in Canada expiring between 2032 to 2041. Jadela US had \$10,000,000 in non-capital loss carry forwards in the US expiring between 2031 and 2035. As at December 31, 2021, WOGC had the following tax pool balances: CEE \$Nil; ICDE \$Nil; COGPE \$969,569 and UCC \$68,651.

The summary is based on certain assumptions which are set forth in the tables below.

**Total Future Net Revenue (Undiscounted)**

Reserves Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Capital Development Costs M\$	Aband & Recl. Costs M\$	Future Net Revenue Before Income Taxes M\$	Income Tax M\$	Future Net Revenue After Income Taxes M\$
<b>Proved Producing</b>	5.019	659	1.452	0	170	2.739	454	2.285
<b>Proved Developed Non-Producing</b>	9.589	1,164	0	34	481	7.909	1,880	6.029
<b>Proved Undeveloped</b>	0	0	0	0	0	0	0	0
<b>Total Proved</b>	14.608	1,823	1,452	34	651	10.648	2,334	8,314
<b>Total Probable</b>	6.221	673	780	0	123	4.664	1,078	3,586
<b>Total Proved Plus Probable</b>	20.829	2,496	2,332	34	774	15.292	3,392	11,900

**Notes**

1. Disclosure is required for Total Proved and Proved Plus Probable reserves

**Future Net Revenue by Product Type**

	M\$	\$/boe	\$/Mcfe
<b>Proved Producing</b>			
Light & Medium Oil (1)	83	23.02	3.84
Conventional Natural Gas(2)	1.624	6.55	1.09
<b>Total: Proved Producing</b>	1.707	6.79	1.13
<b>Total Proved</b>	427	15.01	2.50
Light & Medium Oil (1)	5.464	9.18	1.53
Conventional Natural Gas(2)	5.891	9.44	1.57
<b>Total: Total Proved</b>			
<b>Total Proved Plus Probable</b>	566	14.24	2.37
Light & Medium Oil (1)	6.389	7.98	1.33
Conventional Natural Gas(2)	6.955	8.27	1.38
<b>Total: Total Proved Plus Probable</b>			

**Notes**

1. Including solution gas and other by-products
2. Including by-products but excluding solution gas
3. Other company revenue and costs not related to a specific production group have been allocated proportionately to production groups. Unit values are based on Company Net Reserves.

**SUMMARY OF RESERVES (PROVED PRODUCING)**

Product	Units	Remaining Reserves at January 1, 2022				Oil Equivalents			Reserve Life Indic. (yr)		
		Working Interest	Roy/NPI Interest	Total Company	Net	Oil Eq. Factor	Company Mboe	% of Total	Reserve Life	Life Index	Half Life
Light/ Med Oil	Mbbl	3	0	3	2	1.00	3	1	29.0	8.7	6.2
Solution Gas	MMcf	11	0	11	8	6.000	2	1	29.0	8.7	6.2
Residue Gas	MMcf	1,530	0	1,530	1,367	6.000	255	90	26.0	8.2	5.4
Total Gas	MMcf	1,541		1,541	1,375	6.000	257	90	29.0	8.2	
Butane	Mbbl	25	0	25	20	1.000	25	9	29.0	8.2	5.4
Total Oil +NGL	Mbbl	27	0	27	22	1.000	27	10	29.0	8.3	5.4
Total: Oil Eq.	Mboe	284	0	284	252	1.000	284	100	29.0	8.2	5.4

**PRODUCT REVENUE AND EXPENSES (PROVED PRODUCING)**

Product	Units	Average First Year Unit Values							Net Revenue After Royalties			
		Base Price	Price Adjust	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc MS	% of Total	10% Disc MS	% of Total
Light/ Med Oil	\$/bbl	87.97	-4.50	83.47	10.99	31.37	0	41.11	183	4	92	4
Solution Gas	\$/MMcf	3.13	-0.92	2.21	0.64	5.79	0	-4.12	19	0	9	0
Residue Gas	\$/MMcf	3.13	-0.92	2.21	0.64	0.40	0	1.17	2,881	67	1,543	67
Total Gas	\$/MMcf	3.13	-0.92	2.21	0.64	0.44	0	1.14	2,899	68	1,553	68
Butane	\$/bbl	63.95	0	63.95	16.92	0	0	47.02	1,205	28	647	28
Total Oil and NGL	\$/bbl	66.07	-0.40	65.67	16.40	2.77	0	46.50	1,387	32	739	32
Total: Oil eq.	\$/boe	23.32	-5.03	18.30	5.03	2.64	0	10.63	4,287	100	2,292	100

**REVENUE BURDENS AND NET PRESENT VALUE SUMMARY (PROVED PRODUCING)**

	Revenue Burdens (%)			Net Present Value Before Income Tax					Net Present Value Before Income Tax			
	Initial	Average	Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow		Operating Income M\$	Capital Invest. M\$	Cash Flow	
							MS	\$/BOE			MS	\$/BOE
Crown Royalty	26.934	13.9532	0	2,909	2,739	0	2,739	9.64	2,285	0	2,285	8.04
Non-crown Royalty	0.5664	0.6397	5	2,164	2,126	0	2,126	7.48	1,793	0	1,793	6.31
Mincral Tax	0.0000	0.0000	8	1,871	1,871	0	1,855	6.53	1,571	0	1,571	5.53
			10	1,717	1,707	0	1,707	6.01	1,449	0	1,449	5.10
			12	1,586	1,581	0	1,581	5.56	1,344	0	1,344	4.73
			15	1,425	1,423	0	1,423	5.01	1,212	0	1,212	4.27
			20	1,223	1,223	0	1,223	4.30	1,046	0	1,046	3.68

## Company Production, Reserves and Present Value Summary

Entity Description	2022 Company Interest Prod's				Company Interest Reserves						Reserv e Life Index yrs	0%	10%	
	Gas Mcf	Oil Bbld	NGL Bbld	Oil Eq Boc'd	Gas MMcf	Oil Mbbl	NGL Mbbl	Sulp Mlt	Oil Eq. Mboc	Gas MMcf				
<b>Proved Producing</b>														
Canadian Assets	4	1	1	1	11	3	0	0	8	8	8.7	133	83	
Waskahigan Mines	510	0	7	93	1,530	0	25	0	280	1,367	8.2	2,606	1,624	
<b>Total: Proved Producing</b>	<b>513</b>	<b>1</b>	<b>8</b>	<b>95</b>	<b>1,541</b>	<b>3</b>	<b>25</b>	<b>0</b>	<b>284</b>	<b>1,375</b>		<b>2,739</b>	<b>1,707</b>	
<b>Proved Developed Non-Producing</b>														
Canadian Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	
Waskahigan Mines	247	0	4	45	2,316	0	37	0	423	2,055	25.6	7,909	4,183	
<b>Total: Proved Developed Non-Producing</b>	<b>247</b>	<b>0</b>	<b>4</b>	<b>45</b>	<b>2,136</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>423</b>	<b>2,055</b>		<b>7,909</b>	<b>4,183</b>	
<b>Proved Undeveloped</b>														
Canadian Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	
Waskahigan Mines	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total: Proved Undeveloped</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Proved Non-Producing</b>														
Canadian Assets	0	0	0	0	0	0	0	0	0	0	0	0	0	
Waskahigan Mines	247	0	4	45	2,316	0	37	0	423	2,055	25.6	7,909	4,183	
<b>Total: Total Proved Non-Producing</b>	<b>247</b>	<b>0</b>	<b>4</b>	<b>45</b>	<b>2,316</b>	<b>0</b>	<b>37</b>	<b>0</b>	<b>423</b>	<b>2,055</b>		<b>7,909</b>	<b>4,183</b>	
<b>Total Proved</b>														
Canadian Assets	4	1	1	3	11	3	0	0	5	8	8.7	133	83	
Waskahigan Mines	757	0	12	138	3,846	0	62	0	703	3,421	13.9	10,515	5,807	
<b>Total: Total Proved</b>	<b>761</b>	<b>1</b>	<b>13</b>	<b>140</b>	<b>3,857</b>	<b>3</b>	<b>62</b>	<b>0</b>	<b>708</b>			<b>10,648</b>	<b>5,891</b>	

**REVENUE BURDENS AND NET PRESENTS VALUE SUMMARY (PROVED PRODUCING)**

	Revenue Burdens (%)				Net Present Value Before Income Tax		Cash Flow	
	Initial	Average	Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	M\$	\$/BOE
Crown Royalty	26.9340	13.9532	0	2,909	2,739	0.0	2,285	8.04
Non-crown Royalty	0.5664	0.6397	5	2,164	2,126	0.0	1,793	6.31
Mineral Tax	0.0000	0.000	8	1,871	1,855	0.0	1,571	5.53
			10	1,717	1,707	0.0	1,449	5.10
			12	1,586	1,581	0.0	1,344	4.73
			15	1,425	1,423	0.0	1,212	4.27
			20	1,223	1,223	0.0	1,046	3.68

Pricing Assumptions

The following tables detail the benchmark reference prices for the regions in which the Company operated as at December 31, 2021 reflected in the reserves data disclosed above under "Disclosure of Reserves Data".

GLJ Ltd. Price Forecast Effective January 1, 2022				
Canadian Natural Gas Liquids				
Edmonton	Ethane	Propane	Butane	Condensate
Year	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl
2022	10.89	48.39	61.65	93.04
2023	9.86	32.75	49.13	86.09
2024	10.03	31.73	47.59	83.82
2025	10.24	32.36	48.55	85.49
2026	10.47	33.01	49.52	87.22
2027	10.68	33.67	50.51	89.95
2028	10.92	34.34	51.52	90.73
2029	11.16	35.03	52.55	92.54
2030	11.40	35.73	53.59	94.39
2031	11.64	36.45	54.67	96.29
2032+	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr



**GLJ Ltd. Domestic Crude Oil Price Forecast Effective January 1, 2022**

			WTI		Brent Spot	MSW, Light	Bow River	WCS
			Crude Oil		Crude Oil	Crude Oil	Crude Oil	Crude Oil
			(39.6 API, 0.24%S)		(38.3 API, 0.37%S)	(40 API, 0.3%S)	(21.4 API, 2.8%S)	(20.9 API, 3.5%S)
		CADUSD	Cushing, OK		UK	at Edmonton	at Hardisty	at Hardisty
		Exchange	Constant	Then	Then	Then	Then	Then
	Inflation	Rate	2022 \$	Current	Current	Current	Current	Current
Year	%	USD/CAD	USD/bbl	USD/bbl	USD/bbl	CAD/bbl	CAD/bbl	CAD/bbl
2017	1.6	0.7712	56.21	50.94	54.80	62.84	50.91	<b>50.53</b>
2018	2.3	0.7719	70.26	64.73	71.55	69.22	49.03	49.52
2019	1.9	0.7538	60.53	57.02	64.24	69.16	59.26	58.75
2020	0.7	0.7462	41.10	39.35	43.28	45.28	36.21	35.56
2021	3.4	0.7980	70.14	67.76	70.64	79.45	69.03	68.52
2021 Q1	0.0	0.790	75.00	75.00	78.00	90.51	78.25	77.85
2022 Q2	0.0	0.790	74.00	74.00	77.00	89.24	76.98	76.58
2022 Q3	0.0	0.790	72.00	72.00	75.00	86.71	75.08	74.68
2022 Q4	0.0	0.790	71.00	71.00	74.00	85.44	73.82	73.42
2022 Full								
Year	0.0	0.790	73.00	73.00	76.00	87.97	76.03	<b>75.63</b>
2023	3.0	0.790	67.00	69.01	72.51	81.89	71.30	70.90
2024	2.0	0.790	64.00	67.24	71.24	79.32	68.72	68.32
2025	2.0	0.790	64.00	68.58	72.66	80.93	70.00	69.68
2026	2.0	0.790	64.00	68.96	74.16	82.53	71.49	71.09
2027	2.0	0.790	64.00	71.35	75.59	84.18	72.89	72.49
2028	2.0	0.790	64.00	72.78	77.11	85.85	74.35	73.95
2029	2.0	0.790	64.00	74.24	78.66	87.58	75.83	75.43
2030	2.0	0.790	64.00	75.72	80.22	89.32	76.62	76.22
2031	2.0	0.790	64.00	77.24	81.83	91.11	78.15	77.75
2032+	2.0	0.790	64.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

**GLJ Ltd Domestic Natural Gas Price Forecast Effective January 1, 2022**

	Henry Hub		Alberta			Empress
	Constant	Then	AECO/NIT	Plant Gate		
	2020 \$	Current	Spot	Spot	ARP	
Year	USD/MMBtu	USD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu
2017	3.33	3.02	2.19	1.93	2.22	<b>2.60</b>
2018	3.33	3.07	1.54	1.33	1.36	3.06
2019	2.69	2.53	1.81	1.59	1.48	2.52
2020	2.20	2.13	2.26	2.03	2.01	2.24
2021	3.85	3.71	2.63	3.34	3.14	3.97
2022Q1	3.80	3.80	4.00	3.72	3.72	4.05
2022 Q2	3.80	3.90	3.20	2.93	2.93	3.25
2022 Q3	3.80	3.80	3.20	2.93	2.93	3.25
2022 Q4	3.80	3.80	3.20	2.93	2.93	3.25
2022 Full						
Year	3.80	3.80	3.40	3.13	3.13	3.45
2023	3.40	2.85	3.10	2.83	2.83	3.15
2024	3.00	3.50	3.15	2.88	2.88	<b>3.20</b>
2025	3.00	3.15	3.21	2.94	2.94	3.26
2026	3.00	3.21	3.28	3.01	3.01	3.33
2027	3.00	3.28	3.34	3.07	3.07	3.39
2028	3.00	3.34	3.41	3.14	3.14	3.46
2029	3.00	3.41	3.48	3.21	3.21	3.53
2030	3.00	3.48	3.55	3.27	3.27	3.60
2031	3.00	3.62	3.62	3.34	3.34	3.67
2032+	3.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

The following table discloses the changes in the Company's Canadian reserves.

<b>RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE</b>															
<b>DECEMBER 31, 2021</b>															
	WI Light Medium Oil			WI Heavy Oil			Total Natural Gas			Natural Gas Liquids			BOE		
	Proved	Prob	P+P	Proved	Prob	P+P	Proved	Prob	P+P	Proved	Prob	P+P	Proved	Prob	P+P
Factors	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mboe	Mboe	Mboe
Opening Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Acquisition	3	0	3	0	0	0	4,066	1,320	5,386	66	22	88	747	242	989
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Production	0	0	0	0	0	0	(209)	0	(209)	(4)	0	(4)	(39)	0	(39)
December 31, 2021	3	0	3	0	0	0	3,857	1,320	5,177	62	22	84	708	242	950

The following table discloses additional information relating to the reserves data and the history of attribution of undeveloped reserves:

<b>HISTORY OF ATTRIBUTION OF UNDEVELOPED OIL AND GAS RESERVES</b>								
<b>2019-2020</b>								
Year	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
<b>PROVED UNDEVELOPED RESERVES</b>								
Attributed at	0	0	0	0	0	0	0	0
<b>PROBABLE UNDEVELOPED RESERVES</b>								
Attributed at	0	0	0	0	0	0	0	0

#### Significant Factors or Uncertainties

The production rates, Oil and Gas reserves and cash flow information contained in the GLJ Report are only estimates and the actual production and ultimate reserves may be greater or less than the estimates prepared by Reliance. Factors, consideration and assumptions that the independent evaluator used to develop these estimates include, but are not limited to:

- Historical production;
- Government regulation
- Assumptions regarding commodity prices, production, development costs, taxes and capital expenditures;
- Timing of capital expenditures;
- Effectiveness of enhanced recovery schemes;
- Marketability of production;
- Operating costs and royalties;

Initial production rates;  
 Ultimate recovery of reserves; and

Future oil and gas prices.

Future Development Costs

The Company's source of funding for future development costs of the Company's reserves will be derived from a combination of cash flow, debt and new equity. Management of the Company does not anticipate that the costs of funding referred to above will materially affect the Company's disclosed reserves and future net revenues or will make the development of any of the Corporation's properties uneconomic.

The Company's petroleum and natural gas investing activities have been funded to date primarily through the issuance of common shares and expects that it will continue to be able to utilize this source of financing until it develops additional cash flow from operations.

The following table details the development costs deducted in the estimation of future net revenue attributable to proved reserves of the Company (estimated and forecast prices and costs) and proved plus probable reserves of the Company (estimated using forecast prices and costs and constant prices and costs):

<b>FUTURE DEVELOPMENT COSTS</b>				
<b>FORECAST PRICES AND COSTS</b>				
<b>DECEMBER 31, 2021</b>				
<b>Year</b>	<b>Total Proven Producing Capital (M\$)</b>	<b>Developed Non-Producing Capital (M\$)</b>	<b>Probable Capital (M\$)</b>	<b>Proven Plus Probable Capital (M\$)</b>
2022	0	24,000	0	24,000
2023	0	10,000	0	10,000
2024	0	0	0	0
Remainder	0	0	0	0
<b>Total (M\$)</b>	<b>0</b>	<b>34,000</b>	<b>0</b>	<b>34,000</b>

Abandonment and Reclamation Costs

Additional information concerning abandonment and reclamation costs on producing wells.

The Company bases its estimates for the costs of abandonment and reclamation of surface leases, wells, facilities and pipelines on previous experience of management with similar well sites and facility locations, the table below summarizes the abandonments associated with wells producing or capable to produce at year end 2021.

<b>FUTURE ABANDONMENT COSTS</b>			
<b>FORECAST PRICES AND COSTS</b>			
<b>DECEMBER 31, 2021</b>			
Year	Total Proven Producing Capital (M\$)	Total Proven Developed Non-Producing Capital (M\$)	Proven Plus Probable Capital (M\$)
2032		74	
2034		114	
2035			78
2037			122
2052	161	162	
2055	9	130	
2061			196
2062			200
2064			10
2068	-----	-----	168
Total (M\$)	170	481	774

#### Producing and Non-Producing Wells

The following table summarizes the Company's interests as at December 31, 2021 in producing wells and in non-producing wells which the Company believes are capable of producing oil or gas or both. The stated interests are working interests on a "before payout" basis and, in certain cases, are subject to lessor's and other royalties, in addition to usual Crown royalties or mineral taxes. All wells are "onshore" unless specifically identified as "offshore".

	<b>NON-PRODUCING OIL &amp; GAS WELLS</b>			
	<b>Shut-In Oil Wells</b>		<b>Shut-In Gas Wells</b>	
	Gross	Net	Gross	Net
<b>Alberta</b>	0	0	7	6.25
<b>Texas</b>	0	0.875	0	0
<b>Total</b>		0.875	7	6.25

### Production Forecasts

The following table represents sales gas production forecast for the Company's interest before royalties as at December 31, 2021 for total proved producing reserves.

<b>PRODUCTION FORECAST COMPANY SHARE</b>		
<b>BEFORE ROYALTIES</b>		
<b>PROVED PRODUCING RESERVES</b>		
<b>DECEMBER 31, 2021</b>		
	<b>SALES GAS</b>	
	<b>DAILY</b>	<b>ANNUAL</b>
<b>Year</b>	<b>Mcf/d</b>	<b>MMcf</b>
2022	510	186
2023	447	163
2024	392	144
2025	345	126
2026	304	111
2027	268	98

### Oil and Gas Properties

The Company is focused on the conventional exploration and development of oil and natural gas reserves in Western Canada.

### Land Holdings

The following table sets out the Company's land holdings in respect of which no reserves have been attributed:

<b>DECEMBER 31, 2021</b>				
	<b>UNDEVELOPED PROPERTIES</b>		<b>EXPIRING IN 2022</b>	
	<b>(ACRES)</b>		<b>(ACRES)</b>	
<b>Province</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Alberta	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note (1) Report did not include the 1.75 sections acquired by WOGC in 2021.

### Expiring Rights

The Company does not have any rights expiring in 2022.

### Exploration and Development Activities

For the year ended December 31, 2021, the Company completed the following exploratory and development wells:

<b>EXPLORATION AND DEVELOPMENT ACTIVITIES</b>				
<b>YEAR ENDED DECEMBER 31, 2021</b>				
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Oil	0	0	0	0
Gas	0	0	0	0
Service	0	0	0	0
Dry	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Petroleum and Natural Gas Interest — Summary of Costs Incurred

The following table sets out the Company's property acquisition costs, exploration costs and development costs for the year ended December 31, 2021. This table includes all costs irrespective of whether such costs were capitalized or charged to expense.

	<b>TAPC 2020</b>	<b>WOGC 2021</b>
Land, leases, property, & acquisitions	0	0
Deferred costs:	0	0
Geological expenditures	0	0
Intangible drilling expenditures	0	0
Intangible completion costs	0	0
Well equipment	0	0
Plant and gathering equipment	0	0
Asset retirement obligations	0	0
Well abandonment	0	0
Pipeline & gathering	0	0
Royalties (other than Crown royalties)	0	0
<b>TOTAL</b>	0	0

### Forward Contracts

The Company may use certain derivative financial instruments to manage its commodity prices. These financial instruments are entered into solely for hedging purposes and are not used for trading or other speculative purposes. At December 31, 2021 there were no contracts or options outstanding.

### Tax Horizon

As at December 31, 2021 WOGC has the following exploration and development expenditures, undepreciated capital costs and non-capital loss carry forwards which may be carried forward indefinitely to reduce future Canadian taxable income.

The tax account balances were not transferable from TAPC to WOGC. As such, WOGC \$200,000 in non-capital loss carry forwards in Canada which expire between 2032 and 2041. Jadela US has \$10,000,000 in non-capital losses in the US which expire between 2031 and 2035. Odaat has the following tax pool balances: CEE \$Nil; ICDE \$Nil; COGPE \$969,569; UCC\$68,651.

	<b>TAPC 2020</b>		<b>WOGC 2021</b>	
	<b>Available Amount</b>	<b>Deduction Rate</b>	<b>Available Amount</b>	<b>Deduction Rate</b>
Canadian exploration expense	\$28,858	100%	0	N/A
Canadian development expense	151,603	30%	0	N/A
Canadian oil and gas property expense	\$1,561,890	10% declining balance	969,569	10% declining balance
UCC/CCA Class 41	<u>153,686</u>	25%	<u>68,651</u>	25%
<b>Total M\$</b>	\$1,896,037		\$1,038,310	

Recent Price Forecast Revision (GLJ April 1, 2022)

**GLJ Ltd Domestic-European Natural Gas Price Forecast**

	Effective January 1, 2022				Effective April 1, 2022			
	Henry Hub		Alberta	Europe	Henry Hub		Alberta	Europe
	Constant	Then	AECO/NIT	NBP	Constant	Then	AECO/NIT	NBP
	2022 \$	Current	Spot		2022 \$	Current	Spot	
Year	USD/MMBtu	USD/MMBtu	CAD/MMBtu	US\$/MMBtu	USD/MMBtu	USD/MMBtu	CAD/MMBtu	USD/MMBtu
2022Q1	3.80	3.80	4.00					
2022 Q2	3.80	3.90	3.20	20.75	5.50	5.50	5.00	32.00
2022 Q3	3.80	3.80	3.20	20.75	5.50	5.50	5.00	32.00
2022 Q4	3.80	3.80	3.20	20.75	5.80	5.80	5.30	32.00
2022 Full Year	3.80	3.80	3.40	20.75	5.33	5.33	5.02	
2023	3.40	2.85	3.10	12.00	4.13	4.25	3.95	22.00
2024	3.00	3.50	3.15	8.50	3.30	3.47	3.42	12.00
2025	3.00	3.15	3.21	8.67	3.30	3.54	3.49	12.24
2026	3.00	3.21	3.28	8.84	3.30	3.61	3.63	12.49

**GLJ Ltd. Price Forecast Canadian Natural Gas Liquids**

Edmonton	Effective January 1, 2022				Effective April 1, 2022			
	Ethane	Propane	Butane	Condensate	Ethane	Propane	Butane	Condensate
Year	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl	CAD/bbl
2022	10.89	48.39	61.65	93.04	16.71	58.13	67.43	120.63
2023	9.86	32.75	49.13	86.09	12.78	46.13	61.50	107.50
2024	10.03	31.73	47.59	83.82	10.94	40.30	53.73	95.83
2025	10.24	32.36	48.55	85.49	11.18	41.10	54.80	97.74
2026	10.47	33.01	49.52	87.22	11.42	41.93	55.90	99.70
2027	10.68	33.67	50.51	89.95	11.66	42.76	57.02	101.67

**5. SELECTED CONSOLIDATED FINANCIAL INFORMATION**

**5.1 Annual Information**

The following table sets out the TAPC (for 2019 and 2020) and the Company's selected financial information as at and for 2021. Such information is derived from:

- (a) the audited financial statement of WOGC for the 12 month period ended December 31, 2021; and
- (b) the audited financial statements of TAPC for the years 2019 and 2020

The information below should be read in conjunction with the Company's management discussion and analysis, audited annual financial statements and related notes and other financial information. Four significant accounting changes should be noted: (a) treatment of non-arms length loan in 2019 – see Note 1; (b) treatment of Property and Equipment upon completion of the Plan of Arrangement – See Note 2; (c) decrease of the discount rate for calculating ARO to from 6.0% in 2019 to 0.25% in 2020 to increase to 1.25% in 2021 – and inflation rate 1.4% for 2019 and 2020 and 2.0% in 2021- See Note 5; and (d) restating the shareholder equity upon completion of the Plan of Arrangement. See Note 6.



	TAPC Audited		WOGC Audited
	2019	2020	2021
Oil & Gas Revenue	\$864,571	\$888,867	\$1,039,245
Interest	104,393	76,831	71,948
Net Income (Loss)	(524,157)	(143,191)	(17,123)
Accretion/Depreciation/Depletion	200,831	153,276	122,702
Accounting Adjustment	399,408(1)	-----	-----
Current Assets	255,094	211,276	252,439
Property	1,505,882	1,888,775	2,517,378
Total Assets	1,971,989	2,316,001	2,991,874
Current Liabilities	1,574,417(1)	1,722,749(1)	1,571,838
Working Capital (WC)	(1,319,323)(3)	(1,511,473)(3)	(1,319,399)
Smoky Loan	1,305,798	1,152,174	1,086,488
ARO (3)	872,921	1,404,293	1,327,713
Total Long-Term Liabilities	807,420	1,146,291	1,038,887
Cash dividends declared	0	0	0
Share Capital	12,544,623	12,544,623	134,315
Contributed Surplus	10,151,442	10,151,442	(4)559,699
Deficit	(23,105,913)	(23,249,104)	(5)(312,865)
Shareholders Equity	(409,848)	(553,039)	381,149
Number of Common Shares	10,512,658	10,512,658	13,196,868
Profit (Loss) per share	(0.05)	(0.01)	(0.002)

- \$399,408 was not a real expense resulting in a real loss – it was an accounting adjustment. For the fiscal period ended December 31, 2017, the TAPC LPA loan by Smoky was recorded at \$1,359,958 as a long term loan liability. For the fiscal year ended December 31, 2018, because the loan was a related party loan it was deemed that the 6% contract rate was below a deemed market rate of 15%. The expected future cash flows from the loan were discounted at 15% and the resulting difference of \$491,920 between the fair value of the loan and the fair value was charged to contributed surplus when the loan was initially recognized. On May 6, 2019, the loan was amended to a demand loan. When the loan was modified to a demand loan, the entire value became a current liability and was required to be shown at face value which resulted in a loss of \$399,408 on the modification of the loan.
- Property and Equipment. Property and Equipment was increased from \$1,888,775 to \$2,715,975 to reflect the market value of the property on completion of the plan of arrangement based on the engineered value attributed by GLJ.
- ARO was \$872,921 in 2019, \$1,404,293 in 2020 and \$1,327,713 in 2021. ARO in current liabilities was \$65,501 in 2019, \$288,902 in 2020 and \$288,826 in 2021. Assets were the same: the difference can be explained by different discount and inflation rates: discount rate in 2019 was 6.0%; 0.25% in 2020 and 1.25% in 2021. The inflation rate was 2.0% in 2019 and 2020 and 1.4% in 2021.
- Reflects the value attributed to the common shareholders upon completion of the Plan of Arrangement.
- Reflects the writedown of the Ft. Nelson disposal well.

## 5.2 Quarterly Information

The following table sets out certain financial information pertaining to: (a) TAPC for 2020; and (b) WOGC for each three month period commencing January 1, 2021 and ending September 30, 2022:

Quarters Ended	WOGC 2022				WOGC 2021			TAPC 2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>Operating</b>								
Average Daily Production								
Oil (BBL/D)		0	1	1	2	1	1	2
Natural Gas (MCF/D)	411	485	497	437	936	263	651	674
Total BOE (BOE/D)	77	54	93	73	158	54		122
<b>Average Sales Price</b>								
Oil (\$/BBL)		135.93	110.75	91.09	74.80	74.20	63.96	42.05
Natural Gas (\$/MCF)	4.25	7.58	4.85	6.72	2.99	2.96	3.27	2.42
Total (\$/BOE)	30.55	52.39		45.29	12.67	12.67	21.37	16.11
Operating Netback (\$/Boc)								
Oil & Gas Sales	30.55	52.39	34.94	40.26	18.56	43.39	21.37	16.04
Royalty Expense	(11.13)	(16.40)	(9.24)	(11.18)	(2.23)	(10.82)	(3.45)	(3.19)
Operating expense	(11.62)	(13.60)	(11.02)	(12.07)	(6.19)	(20.93)	(7.74)	(6.37)
Netback	7.80		14.68	17.01	10.14	11.64	10.18	6.65
<b>Financial</b>								
Oil & Gas Sales	216,260	434,905	292,891	318,295	289,468	213,292	218,190	180,923
Cash flow from (used in)	(173,601)	20,732	132,404	30,789	(6,882)	(63,008)	57,104	(13,153)
Net income (loss)	(87,317)	35,023	118,953	16,544	46,916	(30,161)	(50,422)	(29,372)
Per share – Basic/Diluted	(0.007)	0.003	0.0009	0.532	0.004	(0.003)	(0.005)	(0.003)
Capital expenditures								-
Total Assets	3,033,223	3,257,734	3,132,298	2,991,874	2,243,525	2,372,889	2,372,889	2,316,001
Working capital (deficiency)	(1,312,488)	(1,107,541)	(1,172,379)	(1,319,399)	(1,438,992)	(1,519,906)	(1,496,643)	(1,511,473)
Shareholders' Equity	447,807	535,125	500,102	381,149	(545,371)	(562,126)	(562,126)	(553,039)
Shares Outstanding	13,196,868	13,196,868	13,196,868	13,196,868	10,512,658	10,512,658	10,512,658	10,512,658

### 5.3 Dividends

There has been no cash dividends or distributions declared on the common shares in any of the three most recently completed financial years. There is no restriction that could present WOGC from paying dividends other than loan covenants. WOGC does not intend to declare dividends until such time as its secured debt is paid.

### 5.4 Foreign GAAP

This section is not applicable.

## 6. MANAGEMENT DISCUSSION AND ANALYSIS

### 6.1 Dates of MD&A

Because WOGC is taking over the business of TAPC, the management discussion and analysis of TAPC is applicable to the management discussion and analysis of WOGC. TAPC has filed audited financial statements for the fiscal period ended December 31, 2020 on [www.sedar.com](http://www.sedar.com) and TAPC has filed its Management Discussion and Analysis dated as of April 27, 2021 for the fiscal period ended December 31, 2020 and such document is incorporated herein by reference. These statements have been filed on the WOGC profile on [www.sedar.com](http://www.sedar.com).

### 6.2 Overall Performance of TAPC (2019-2020) and of WOGC 2021

**TAPC:** The performance of TAPC during the period 2019-2020 has been driven by the price of natural gas, access to natural gas processing facilities. Low commodity prices in 2019 and 2020 resulted in losses. Notwithstanding TAPC paid all of its interest due to Smoky and \$174,419 in principal debt. TAPC incurred a net loss for the twelve months ended December 31, 2020 of \$143,193 (2019 – \$524,157). Depletion and depreciation was \$101,980 (2019 - \$150,703), interest expense was \$76,831 (2019 - \$104,393) and accretion was \$51,296 (2019 - \$50,128) for the twelve months ended December 31, 2020.

**WOGC:** The performance of WOGC for 2021 can be summarized by the comment that higher commodity prices in 2021 meant profits. WOGC was able to repay payables and set funds aside for ARO obligations. WOGC lost \$17,123 in 2021.

### 6.3 Annual Financial Information

See chart in Section 5.1.

The following table provides a condensed summary of the Statement of Income of: (a) TAPC for the year ended December 31, 2019 and 2020; (b) WOGC for the year ended December 31, 2021; and (c) WOGC for the 9 months ended September, 2022

	<b>TAPC 2019 Audited</b>	<b>TAPC 2020 Audited</b>	<b>WOGC 2021 Audited</b>	<b>WOGC Sept 30, 2022 Unaudited</b>
<b>Oil and natural gas sales</b>	\$864,571	\$888,867	\$1,039,276	944,056
Production Costs	378,812	434,456	373,973	278,533
Royalty Costs	75,410	137,936	211,593	292,437
Other Income	3,649	31,065	20,438	19,989
General and Administrative Expenses	233,523	260,624	297,587	205,554
Interest	104,393	76,831	71,948	54,601
Accretion	50,128	51,296	7,054	2,625
Depletion	150,703	101,980	115,648	65,307
Loss on modification of debt (foreign exchange)	<u>399,408</u>	-----	-----	<u>28</u>
<b>Net Income</b>	<b>\$(524,157)</b>	<b>\$(143,191)</b>	<b>(17,123)</b>	<b>11,080</b>

The following table provides a condensed summary of the Statement of Financial Position of: (a) TAPC as at December 31, 2019 and 2020; (b) WOGC as at December 31, 2021; and (c) WOGC as at September 30, 2022:

	<b>TAPC 2019 Audited</b>	<b>TAPC 2020 Audited</b>	<b>WOGC 2021 Audited</b>	<b>WOGC Sept 30, 2022 Unaudited</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$2,849	\$46,533	\$18,003	0
Restricted Cash			70,000	70,000
Trade and other receivables	161,179	77,145	94,070	80,427
Short term investment	14,214	14,216	14,218	14,219
Deposits and Prepaid expenses	<u>76,852</u>	<u>73,382</u>	<u>56,148</u>	<u>106,954</u>
Total Current Assets	\$4	\$211,276	\$252,439	271,600
Oil & Gas Assets (net of depletion)	1,505,882	1,888,775	2,517,378	2,391,725
Exploration and Evaluation Assets		5,067	11,036	5,067
Restricted Investments				151,030
Restricted Cash held in Trust	<u>211,013</u>	<u>210,883</u>	<u>211,021</u>	<u>213,800</u>
<b>TOTAL ASSETS</b>	<b>\$1,971,989</b>	<b>\$2,316,001</b>	<b>\$2,991,874</b>	<b>3,033,223</b>
<b>LIABILITIES</b>				
Bank indebtedness				2,462
Accounts Payable and accrued liabilities	\$197,450	\$271,246	\$188,301	246,447
Loan Payable to Smoky	1,305,798	1,152,174	1,086,488	1,080,174
Long Term Loan		30,900		
Deferred Revenue	5,668	10,427	8,223	4,792
Asset Retirement Obligation	<u>872,921</u>	<u>1,404,293</u>	<u>1,327,713</u>	<u>1,233,541</u>
<b>TOTAL LIABILITIES</b>	<b>\$2,381,837</b>	<b>\$2,869,040</b>	<b>\$2,610,725</b>	<b>2,585,416</b>
Share Capital	\$12,544,623	\$12,544,623	\$134,315	134,315
Contributed Surplus	10,151,442	10,151,442	559,699	559,699
Retained Earnings Deficit	\$(23,105,913)	\$(23,249,104)	(312,865)	(246,207)
<b>TOTAL EQUITY</b>	<b>\$(409,848)</b>	<b>\$(553,039)</b>	<b>\$381,149</b>	<b>447,807</b>

The following table provides a condensed summary of the Cash Flow of: (a) TAPC for 9 months ended December 31, 2019 and 2020; (b) WOGC for 12 months ended December 31, 2021; and (c) WOGC for the 3 months ended September 30, 2022.

	TAPC 2019 Audited	TAPC 2020 Audited	WOGC 2021 Audited	WOGC September 30, 2021 Unaudited
Cash Provided by Operations	(3,908)	\$173,389	(16,769)	(37,753)
Long term loan		30,334		
Repayment of Loan		(114,611)	(65,687)	(10,399)
Accrued Interest Paid		(39,013)		
Private Placement			100,000	
Cash Provided by Financing Activities				
Cash Used in investing activities	(2,382)	(1,348)		
Acquisition of cash in acquisition activities			6,428	
Purchase of Exploration and evaluation assets		(5,061)	(5,969)	(5,969)
<b>Net Change in Cash</b>	(6,290)	\$43,684	18,003	(54,121)

The following table summarizes: (a) the WOGC's results of operations for 9 months ended September 30, 2021 and September 30, 2022; and (b) WOGC twelve months ended December 31, 2021 compared to results of TAPC for twelve months ended December 31, 2020.

Production	Nine months ended September 30			Twelve months ended December 31		
	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
Total BOE	7,080	15,597	(55)	38,627	67,082	(42)
Oil & Gas (BBL/D)		2	(100)	1	2	(50)
Natural Gas (mcf/d)	411	937	(56)	573	1,020	(44)
NGL (BBL/D)	8	11	(27)	9	11	(18)
Total (BOE/D)	77	54	43	106	183	(42)

The difference in operating results can be explained in part because 5 wells producing into Deep Valley well which produced from January 1, 2020 to May 31, 2020 were shut in all of 2021.

Revenue	Nine months ended September 30			Twelve months ended December 31		
	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
Oil Sales(\$)		13,330	(100)	30,601	28,154	9
Natural Gas Sales (\$)	151,208	218,157	(31)	807,710	731,184	10
NGL Sales	65,052	57,981	(25)	200,934	129,529	55
Oil & Natural Gas Sales (\$)				1,039,245	888,867	17

Royalties	Nine months ended September 30			Twelve months ended December 31		
	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
Royalties	78,819	34,817	126	211,593	137,936	53
Royalties as a % of Sales	36%	12%	203	20%	16%	31
Royalties per BOE (\$)	11.13	2.23	399	5.48	2.06	166

Production Expense	Nine months ended September 30	Twelve months ended December 31
--------------------	--------------------------------	---------------------------------

	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
Production costs	82,260	96,593	(15)	373,973	434,456	(14)
Operating costs per BOE (\$)	11.62	6.19	88	9.68	6.48	49

General and Administrative ("G&A")	Nine months ended September 30			Twelve months ended December 31		
	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
G&A (\$)	99,735	77,498	29	297,587	260,624	14
G&A costs per Boe (\$)	14.09	4.97	184	7.70	3.89	98

Netbacks	Nine months ended September 30			Twelve months ended December 31		
	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
(\$ / BOE)						
Oil and Natural Gas Sales	30.55	18.56	65	26.90	13.25	103
Royalties	(11.13)	(2.23)	399	(5.48)	(2.06)	166
Production costs	(11.62)	(6.19)	88	(9.68)	(6.48)	49
Operating Netback	7.80	10.14	(23)	11.74	4.71	149

Depletion, Depreciation and Accretion	Nine months ended September 30			Twelve months ended December 31		
	WOGC 2022	WOGC 2021	% Change	WOGC 2021	TAPC 2020	% Change
DD&A (\$)	18,372	33,026	(44)	115,648	101,980	113
DD&A costs per Boe (\$)	2.59	2.12	22	2.99	1.52	196

#### 6.4 Variation

Most significant reasons for variation in performance were:

- (a) price of natural gas;
- (b) volumes produced. The Company has the capacity to produce 1,800 mcf/d of natural gas. The company produced 998 mcf/d in 2019, 1,023 mcf/d in 2020, 573 mcf/d in 2021 and 497 mcf/d in first 3 months of 2022. In 2019 and in 202 the Company voluntarily shut-in in production because sales price threshold not met;
- (c) non access to natural gas processing plants:
  - (i) the Paramount Deep Valley closed at the end of May 2020 which prevented the sales of 700 mcf/d; and
  - (ii) CNRL would not allow the Company to produce from the 15-24-63-24 W5th and 6-30-63-23 W5th wells (400 mcf/d); and
- (d) no repairs or workovers were conducted on 8-30-62-21 W5th (would result in an additional 300 mcf/d)

#### 6.5 Results of Operations

See 6.3 above.

## 6.7 Liquidity

The September 30, 2022 financial statements do not reflect the adjustments and classifications of assets, liabilities, revenues and expenses which would be necessary if WOGC were unable to continue as a going concern. The accompanying financial statements have been prepared using the going concern assumption which assumes that WOGC will be able to realize its assets and discharge its liabilities in the normal course of business.

WOGC is subject to certain fluctuations and trends, such as market conditions, interest rate levels, commodity prices, and industry conditions which could affect its ability to raise the necessary capital to remain as a going concern. In addition, WOGC remains focused on exploration of oil and gas prospects and the results of drilling these prospects could materially affect WOGC's ability to raise additional capital. WOGC plans to meet its exploration and development expenditures and overhead costs through the raising of additional debt or equity financing and/or the completion of joint venture partnerships with third parties.

As at September 30, 2022, WOGC had working capital deficit of \$1,319,399. The working capital calculation includes a loan of \$1,086,488 by Smoky. The calculation includes \$288,826 in current ARO obligations. The working capital calculation excludes \$211,021 in restricted cash on deposit with regulatory authorities to which may offset the current assets retirement obligation and approx. \$100,000 in committed SRP funding grants (which is not reflected in the balance sheet). WOGC has downhole equipment and wellsite equipment to offset the abandonment and remediation liability. Because the value of the oil and equipment is contingent this receivable and the other US assets have undetermined value these assets are not included in the financial statement disclosure.

Pursuant to the terms of the TAPC LPA, Smoky lent TAPC (which debt was assumed by WOGC) the sum of \$1,326,593 to make the acquisition. The loan is payable on demand. The interest rate on the loan principal is 6% per annum. All obligation owing are secured by a general security agreement charging all of the assets of WOGC. The loan is a demand loan.

Odaat has a commitment to remediate an unused well site in Crossfield, Alberta. WOGC/Odaat has set aside in trust \$40,000 to pay for the site remediation. Odaat will require approximately \$25,000 to \$30,000 to remediate the 10-29-30-3 W5th Crossfield well in 2022. This will occur in 2023 provided cash flow from operations is available.

### **Credit Risks relating to Financial Instruments**

WOGC generates accounts receivable upon sale of its natural gas, oil and condensate. Overall, the parties to which WOGC relies on to pay for the sale of petroleum products do not constitute any significant credit risk. Odaat has an oil and liquids marketing agreement for Waskahigan Assets with Tidal. Effective December 1, 2017, TAPC entered into a gas marketing agreement with BP for any natural gas taken in kind in Waskahigan for 1 year period. This was extended to November 30, 2021. This contract was assigned to Odaat and has been extended to November 1, 2022.

Effective January 1, 2018, TAPC entered into a gas handling agreement with Paramount for gas processed by the Deep Valley plant (TCPL Maddenville meter station) which provided WOGC could not take in kind until it had provided Paramount with financial assurances that they would be paid for processing and compression costs. The contract was assigned to Odaat.

TAPC had a compression and processing agreement with i3 Energy for natural gas processed through the Tony Creek plant (TCPL Wooster meter station). This contract was assigned to Odaat. Occasionally, WOGC will rely on the firm service of i3 Energy to market its gas and natural gas liquids and in such case i3 Energy will bill on a JIB basis and pay the net proceeds from the sale of such gas to Odaat.

WOGC's financial liabilities and contractual obligations as at September 30, 2022 are due as follows:

	Amount	Due
Accounts payable and accrued liabilities	252,439	Due within 90 days
Loans payable	1,086,488	On demand

There are no drilling commitments. There are no ARO commitments other than the Crossfield properties. There are no lease commitments. Liquidity risk - WOGC's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under normal and stressed conditions without incurring unacceptable losses or risking harm to the WOGC's reputation. WOGC has to date required funds from private placements to finance capital expenditures and operations. Commodity price risk - WOGC is exposed to oil and gas commodity price risk and has not entered any financial derivatives to manage this risk. Interest rate risk - WOGC's exposure to interest rate risk is low.

### **Capital Resources**

WOGC plans to continue financing the acquisition of assets in the Canadian Western Sedimentary Basin via issuance of shares through private placements.

### **Commitments**

Odaat has a commitment to remediate a well site pad in Crossfield. Odaat will require approximately \$35,000 to remediate the well site pad in 2022. These monies have been set aside in trust. The remediation will occur in 2022 provided Exxon funds the 65%.

## **7. MARKET FOR SECURITIES**

There is no market for securities.



## 8. CONSOLIDATED CAPITALIZATION

### Share Capital

Description	TAPC Outstanding as at December 31, 2019 (Audited)	TAPC Outstanding as at December 31, 2020 (Audited)	WOGC Outstanding as at December 31, 2021 (Audited)	WOGC Outstanding as at September 30, 2022 (Unaudited)	WOGC Outstanding as at the date of this Information Circular
Common Shares	10,512,568	10,512,568	13,196,868	13,196,868	13,196,868
Warrants	3,600,000	1,600,000	0	0	0
Options	510,000	510,000	0	0	0
Convertible Debentures	0	0	0	0	0
Fully Diluted	14,622,568	12,622,568	13,196,868	13,196,868	13,196,868

Authorized:		
Unlimited Common voting shares with no par value		
Unlimited Preferred shares, issuable in series, with rights and privileges to be determined at time of issue		
Issued:		
Common shares	Number of shares	Value
Balance December 31, 2019 and December 31, 2020	100	100
Plan of Arrangement	10,512,568	--
Shares returned to Treasury	(100)	-----
Restated Balance December 31, 2020	10,512,568	100
private placement	2,000,000	100,000
Shares issued to settle accounts payable	684,300	34,215
Total as of December 31, 2021	13,196,868	\$134,315
Total as of September 30, 2022	13,196,868	\$134,315

### Contributed Surplus

WOGC's contributed surplus consists of value assigned to issued options and other contributions. The sum of \$559,699 was added effective January 1, 2021 when the oil and gas assets were assigned from TAPC to Odaat pursuant to the Plan of Arrangement. The transfer of assets was determined to be a business combination and has been accounted for using the acquisition method. The estimated acquisition date fair value of the property and equipment was derived from the estimate of proved and probable oil and gas reserves and the related cash flows prepared by an independent third party reserve evaluator. The estimated proved and probable reserves and the related cash flows were discounted at a rate base on what a market participant would have paid as well as market metrics in the prevailing area at the time. See Note 4 to the December 31, 2021 financial statements.

## **Warrants**

There are no warrants.

## **9. STOCK OPTIONS**

There are no options outstanding.

### **9.1 Stock Option Plan**

WOGC's Option Plan was approved by the Shareholders of WOGC immediately prior to the close of the Plan of Arrangement. The WOGC Option Plan has been established to provide an incentive to the directors, officers, employees, consultants and other personnel of WOGC to achieve the longer-term objectives of the WOGC, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of WOGC and to attract to and retain in the employ of WOGC, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in WOGC.

The following is a summary of the material terms of the WOGC Option Plan and is qualified in its entirety by the full text of the WOGC Option Plan.

- The aggregate number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in WOGC.
- Under the WOGC Option Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12 month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12 month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12 month period.
- The exercise price for options granted under the Option Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the CSE.
- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to WOGC.
- Options granted under the Option Plan are non-assignable, except by will or by the laws of descent and distribution.

## 9.2 Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out information as at the end of the nine month period ended September 30, 2022 with respect to compensation plans under which equity securities of WOGC are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
<b>Equity compensation plans approved by securityholders</b>	0	0	1,319,686
<b>Equity compensation plans not approved by securityholders</b>	0	0	
<b>Total</b>	0	0	1,319,686

## 10. DESCRIPTION OF THE SECURITIES

### 10.1 General

The authorized share capital of WOGC consists of an unlimited number of common shares and an unlimited number of first preferred shares ("**WOGC Preferred Shares**"). As of the date hereof, 13,196,868 common shares were issued and outstanding as fully paid and non-assessable shares. No WOGC Preferred Shares were outstanding.

The holders of WOGC Common Shares are entitled to receive notice of and to attend and vote at all annual and special meetings of shareholders and are entitled to one vote per WOGC Common Share, either in person or by proxy. Subject to any prior rights of the holders of WOGC Preferred Shares, the holders of WOGC Common Shares are entitled to receive such dividends as the board of directors of the Company declare. In the event of the liquidation, dissolution or winding-up of WOGC, whether voluntary or involuntary, the holders of the WOGC Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of WOGC, the remaining property and assets of WOGC.

The Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the terms of the Preferred Shares, the board of directors of WOGC may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of Preferred Shares. The Preferred Shares shall be entitled to priority over the Common Shares and all other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of WOGC in the event of any liquidation, dissolution or winding up of WOGC or other distribution of assets of WOGC among its shareholders for the purpose of winding up its affairs. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of WOGC in the event of any liquidation, dissolution or winding up of WOGC or other distribution of assets of WOGC among its shareholders for the purpose of winding up its affairs.

### 10.2 Debt Securities

There are no debt securities.

### 10.4 Other Securities

There are no other securities.

## 10.5 Modification of Terms

There are no modifications of terms.

## 10.6 Other Attributes

There are no other attributes.

## 10.7 Prior Sales

There have been no sales of securities of WOGC since January 1, 2021 other than: (a) the sale of 2,000,000 common shares at \$0.05 per share on December 8, 2021 for aggregate consideration of \$100,000; and (b) the sale of 684,300 common shares at \$0.05 per share on December 8, 2021 for aggregate consideration of \$34,215.

## 10.8 Trading Price and Volume

The common shares of the Company have never been listed for trading.

## 11. ESCROWED OR RESTRICTED SECURITIES

There are no escrowed securities or securities subject to contractual or statutory resale restrictions.

## 12. PRINCIPAL SHAREHOLDERS

Except as set forth below, to the knowledge of the directors and the executive officers, as at December 31, 2021 or February 21, 2023, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

Name & Residence	Type of Ownership	Number of Shares	Percentage of Outstanding Shares
Gregory J. Leia Calgary, Alberta, Canada	Direct/Indirect <sup>(1)</sup>	7,634,100	57.84%

Note: (1) common shares are directly and held indirectly through RRSP accounts. El Indio Investment Corp., Gregory J. Leia Professional Corporation and Future Key Management Inc.

## 13. DIRECTORS AND EXECUTIVE OFFICERS

### 13.1 Name Occupation and Security Holdings

The following table sets out the names of the Company's directors and officers, municipalities of residence, the number and percentage of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction as at the date hereof, the principal occupations held over the past five years, the offices held with the Company and the committees of which they are members.

The following information concerning the directors has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled <sup>(1)</sup> and percentage of total issued and outstanding
GREGORY J. LEIA Calgary, Alberta Canada President and Chief Executive Officer and a Director (2)	Mr. Leia is a lawyer with the law firm Wolff Leia, Calgary, Alberta.		7,634,100 (57.84%)
GERALD ROE <sup>(2)</sup> Calgary, Alberta Canada Director	Mr. Roe is an oil and gas industry consultant.	Jan 12, 2021	40,000 (0.3%)
CRAIG LEGGATT <sup>(2)</sup> Calgary, Alberta Canada Director	Mr. Leggatt practices law with the law firm of Wolff Leia	Jan 12, 2021	Nil (0%)
TRACY ZIMMERMAN Calgary, Alberta Director, CFO	Mr. Zimmerman is an oil and gas consultant	Jan 12, 2021	684,300 (5%)

**Notes:**

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors. These figures do not include any securities that are convertible into or exercisable for Common Shares. These figures are based on the number of Common Shares issued and outstanding as of the date of this Information Circular.
- (2) Member of the Audit Committee.

**13.2 Term of Office**

Each director term shall end at the annual general meeting

**13.3 Share ownership**

The individual ownership is set out in section 13.1. The aggregate ownership of the officers and directors is 8,358,400 common shares representing 63.33 % of the issued and outstanding shares.

**13.4 Board Committee and Composition**

The Company will have one committee, the Audit Committee, comprised of three members of the Board namely Gregory J. Leia, Craig Leggatt and or Gerald Roe. Craig Leggatt and Gerald Rowe are considered to be independent members of the Audit Committee within the meaning of NI 52-110.

All members are “financially literate” within the meaning of NI 52-110. The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI-52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee reviews the financial reviews the financial reports and other financial information provided by the Company

to regulatory authorities and its shareholder and reviews the Company's system of internal controls regarding and accounting including auditing, accounting and financial reporting processes.

The Company's Board has adopted an Audit Committee Charter setting forth the responsibilities, powers and operations of the Audit committee consistent with NI 52-110, a copy of which is attached hereto as Schedule "G". The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of:

- i. the integrity of the Company's consolidated financial statements and accounting and financial processes and the audits of out consolidated financial statements;
- ii. the Company's compliance with legal and regulatory requirements;
- iii. the Company's external auditors' qualifications and independence;
- iv. the work and performance of the Company's financial management and its external auditors; and
- v. the Company's system of disclosure controls and procedures and systems of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Issuer's Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personal and may request any information about the Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

### **13.5 Principal Occupations of the Directors**

This is set out in Section 13.1

### **13.6 Corporate Cease Trade Orders or Bankruptcies**

On May 6, 2019, the securities of TAPC were cease traded for failure to file the audited financial statements and management discussion and analysis for the fiscal year ended December 31, 2018. On May 15, 2019, TAPC filed the required documents. On May 17, 2019, the cease trade was revoked. Gregory J. Leia, Craig Leggatt and Gerald Roe were directors at the time.

Other than as set out below, no proposed director of WOGC is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No proposed director of WOGC is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Mr. Gerald Roe was a director of Queve Group Inc., which was ceased traded on October 1, 2002 for failure to file financial statements.

### **13.7 Penalties or Sanctions**

No proposed director of WOGC has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No proposed director of WOGC has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **13.9 Personal Bankruptcies**

No proposed director of WOGC is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### **13.10 Conflicts of Interest**

The directors and officers of WOGC may, from time to time, be involved with the business and operations of other oil and gas WOGCs, in which case a conflict of interest may arise between their duties as officers and directors of WOGC and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the ABCA.

### **13.11 Background – Directors and Executive Officers**

None of the officers or directors have signed non-competition or non-disclosure agreements with WOGC.

Gregory J. Leia is 65. Mr. Leia received a Bachelor of Commerce and a Bachelor of Laws from the University of Saskatchewan. Mr. Leia has practiced law in the Province of Alberta for almost 40 years primarily with the law firm Wolff Leia, Calgary, Alberta. Mr. Leia has over 16 years direct experience running oil and gas companies in Saskatchewan, Alberta and Texas as officer, director, controlling shareholder and legal counsel. Mr. Leia is President of 1454871 Alberta Ltd. (formerly Batoche Oil & Gas Exploration Ltd.), El Indio Investment Corp. and Smoky Oil & Gas Corp (private oil and gas exploration firms). From June 2007 to May 2010, Mr. Leia was the President of Batoche Energy Corp which amalgamated with Antler Creek Energy Corp whose common shares were listed on the TSXV. Antler Creek Energy Corp changed its name to Pinecrest Energy Inc. From May 11, 2011 to December 16, 2021, Mr. Leia was the director and CEO of Tenth Avenue Petroleum Corp (TSXV.TCP).

Mr. Roe is 78. Mr. Roe received a Bachelor of Science in Mechanical Engineering from Montana State University. Mr. Roe is a retired consultant and farmer. Mr. Roe has 46 years of experience in the upstream oil and gas industry. Mr. Roe was a director of TAPC from May 2011 to December 16, 2021. Mr. Roe is a director of Wilton Resources Ltd, a TSXV company from 2018 to present. Mr. Roe was a Director and Chairman of the Board of GasFrac Energy Services Inc. an oil services company listed on the TSX until June 2014. Mr. Roe was the Chief Operating Officer (from January 2005 to November 2007) and the Vice-President, Operations (from May 2004 and January 2005) of Oilexco Incorporated, an oil and gas company that was listed on the TSX and the London Stock Exchange. Since October 2003, Mr. Roe has been a director of ExGen Resources Ltd. (formerly Boxxer Gold Corp.), a mining company listed on the TSXV. From May 2009 to 2013, Mr. Roe was VP Operations of Canadian Overseas Petroleum Limited, an oil and gas company listed on the TSXV.

Mr. Leggatt is 60. Mr. Leggatt received a Bachelor of Arts degree from the University of Waterloo and a Bachelor of Laws degree from Queen's University. Mr. Leggatt was a past member of the Law Society of Ontario since 1991 (inactive) and a member of the Law Society of Alberta since 1997. Mr. Leggatt practices law with Wolff Leia an energy and securities law boutique in Calgary. Mr. Leggatt has worked number of different capacities in the capital markets for over 15 years. His capital markets experience encompasses investigations and enforcement with the Alberta Securities Commission; senior compliance experience with full service investment dealers and an institutional boutique; and corporate finance experience in the venture capital markets wherein Mr. Leggatt was responsible for junior market deals valued in excess of \$100 million. Mr. Leggatt was a director of TAPC from 2014 to December 16, 2021

Mr. Zimmerman is 61. Mr. Zimmerman holds a Geological Engineering degree from the University of Saskatchewan. Mr. Zimmerman holds a Professional Geoscientist designation from APEGA. Mr. Zimmerman has 34 years of experience in the oil and gas industry primarily in western Canada. Mr. Zimmerman was principal in junior startup Cheveyo Energy Ltd. which was sold in 2014. Mr. Zimmerman was a director of TAPC from June 2019 to December 16, 2021.

## 14. CAPITALIZATION

### 14.1 Issued Capital

As at February 21, 2023	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
<u>Public Float</u>				
Total outstanding (A)	13,196,868	13,196,868	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	8,358,400	8,358,400	63.33%	63.33%
Total Public Float (A-B)	4,838,468	4,838,468	36.67%	36.67%
<u>Freely-Tradeable Float</u>	13,196,868	13,196,868		
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	0	0	0	0
Total Tradeable Float (A-C)	13,196,868	13,196,868	100%	100%



### Public Securityholders (Registered)

For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. The table below is as current as of the date hereof, and only registered holders are listed.

Class of Security Size of Holding	Number of holders	Total number of securities
1 - 99 securities	39	645
100 - 499 securities	14	4,186
500 - 999 securities	8	5,775
1,000 - 1,999 securities	10	13,343
2,000 - 2,999 securities	4	8,804
3,000 - 3,999 securities	4	12,701
4,000 - 4,999 securities	0	0
5,000 or more securities	18	573,910
<b>Total</b>		<b>619,364</b>

### Public Securityholders (Beneficial)

For the purposes of this report, "public securityholders (beneficial)" include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary. The table below does not include "non-public securityholders" being those persons enumerated in section (B) of the issued capital chart and is current as of the date hereof.

Class of Security Size of Holding	Number of holders	Total number of securities
1 - 999 securities	Not relevant	50,834
1,000 - 99,999 securities	Over 200	1,934,000
Over 100,000	6	1,819,586
Unable to confirm	Unable to confirm <sup>1</sup>	505,384
<b>Total</b>	Unable to confirm <sup>1</sup>	<b>4,309,804</b>

Note (1): 4,309,804 is derived from subtracting the 1,319,600 common shares held by non-public shareholders from the 5,629,404 common shares held by CDS of which Shares are held by an unknown number of participants (intermediaries) through CDS & Co., the Canadian depository for securities. NOBO list total is 3,804,420 common shares.

## Non-Public Securityholders (Registered)

For the purposes of this table, "non-public securityholders" are persons enumerated in Section (B) of the Issued Capital table above.

Class of Security Size of Holding	Number of holders	Total number of securities
1 - 99 securities	0	0
100 - 499 securities	0	0
500 - 999 securities	0	0
1,000 - 1,999 securities	0	0
2,000 - 2,999 securities	0	0
3,000 - 3,999 securities	0	0
4,000 - 4,999 securities	0	0
5,000 or more securities	5	7,127,600(1)
<b>Total</b>	5	7,127,600

Note (1) Total non-public shares are 8,267,400 common shares of which 1,319,600 are held through CDS in brokerage accounts.

## 14.2 Convertible/Exchangeable Securities

There are no securities convertible or exchangeable into Common Shares of the Issuer as at the date hereof:

## 14.3 Other Listed Securities

There are no other listed securities reserved for issuance that are not included in section 14.2.

## 15. EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

Executive Compensation is required to be disclosed for each (i) Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer) who were serving as executive officers at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers").

**TAPC:** The Named Executive Officers of TAPC for the most recently completed financial year are Gregory J. Leia, President and Chief Executive Officer from May 11, 2011 to December 2021. Craig Leggatt was interim Chief Financial Officer from May 18, 2016 to June 2019. Tracy Zimmerman was the interim Chief Financial Officer from June 2019 to December 2021. There were no other Named Executive Officers for the year ending on December 31, 2020, as no other employees earned in excess of \$150,000 in 2020. Named Executive Officers are also eligible to participate in TAPC's stock option plan.

**WOGC:** The Named Executive Officers of WOGC since January 1, 2021 are Gregory J. Leia, President and Chief Executive Officer and Tracy Zimmerman, Chief Financial Officer.

## **Philosophy and Objectives**

As WOGC does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole and the compensation of the Named Executive Officers is reviewed and approved annually by the Board of Directors. The objective of the Board of Directors in setting compensation levels is to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings for Shareholders. The Board of Directors set the compensation received by Named Executive Officers so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors rely primarily on their own experience and knowledge.

## **Compensation**

Compensation provided to Named Executive Officers consists of: (i) base compensation; (ii) other compensation; and (iii) stock options granted pursuant to the Option Plan. Employment or management agreements entered into with Named Executive Officers provide that the salary or other compensation is subject to normal periodic review on or about the anniversary date of any such agreement. In addition to the salary or other compensation, the Board of Directors may from time to time pay a bonus to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance. Pursuant to the Option Plan, the Board of Directors, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and Shareholders' interests in the long term. The Corporation emphasizes stock options in executive compensation as they allow the Named Executive Officers to share in corporate results in a manner that is relatively cost-effective despite the effects of treating stock options as a compensation expense.

### **Compensation of Gregory J. Leia, President**

Mr. Leia was not paid a salary by TAPC and is not paid a salary by WOGC. Mr. Leia practices law, through a professional corporation, in association with other lawyers and administrative staff under the trade name "Wolff Leia".

**TAPC:** Wolff Leia billed TAPC the sum of \$104,635 inclusive of all fees, disbursements, other charges and GST for the fiscal year ending December 31, 2020 (\$114,640 for the fiscal period ended December 31, 2019), almost all of which was billed by Mr. Leia at an hourly rate of \$250 plus GST for Mr. Leia's services to TAPC for legal fees for the fiscal year ending December 31, 2020 and December 31, 2019 monies paid in Q1. During the fiscal years ended December 31, 2020 and December 31, 2019, Mr. Leia did not receive any other compensation for his role as an officer of the Corporation nor did he receive compensation for his role as a director of the Corporation. For a summary of compensation paid by TAPC to Mr. Leia in respect of the years ended December 31, 2020 and December 31, 2019 please refer to the Summary Compensation Table below.

**WOGC:** Wolff Leia billed WOGC the sum of \$170,978 inclusive of all fees, disbursements, other charges and GST for the twelve months ending December 31, 2021 almost all of which was billed by Mr. Leia at an hourly rate of \$250 plus GST. Wolff Leia billed WOGC the sum of \$47,500 inclusive of all fees, disbursements, other charges and GST for the three months ending March 31, 2022 almost all of which was billed by Mr. Leia at an hourly rate of \$250 plus GST.

**Compensation of Craig Leggatt**

Mr. Leggatt was not paid a salary by TAPC nor did he received any executive compensation as interim CFO or director. For a summary of compensation paid to Mr. Leggatt in respect of the years ended December 31, 2020 and December 31, 2019 please refer to the Summary Compensation Table.

**Compensation of Tracy Zimmerman (Chief Financial Officer)**

**TAPC:** Mr. Zimmerman was not paid a salary by TAPC nor did he received any executive compensation as CFO or director. Oilrac Enterprises Inc, a related party, charged TAPC consulting fees \$29,327 for fees for 2020. For a summary of compensation paid to Mr. Zimmerman in respect of the years ended December 31, 2020 and December 31, 2019 please refer to the Summary Compensation Table below.

**WOGC:** Mr. Zimmerman was not paid a salary by WOGC nor did he received any executive compensation as CFO or director. Oilrac Enterprises Inc, a related party, charged WOGC consulting fees \$4,889 for fees for 2021.

**Summary Compensation Table for TAPC for Years 2019 and 2020**

The following table sets forth information concerning the total compensation paid during the years ended December 31, 2019 and December 31, 2020 to the Named Executive Officers and directors of TAPC.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission <sup>(1)(2)</sup>	Bonus (\$)	Committee or Meeting Fees <sup>(3)(4)</sup> (\$)	Value of Perquisites (\$)	Value of all other Compensation	Total Compensation (\$)
Gregory J. Leia CEO and Director	2020	104,635(1)	Nil	Nil	Nil	Nil	104,635(1)
	2019	114,640(1)	Nil	Nil	Nil	Nil	114,640(1)
Craig Leggatt, Interim CFO (2018) and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Gerry Roc Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Tracy Zimmerman CFO Director	2020	\$29,327	Nil	Nil	Nil	Nil	\$29,327
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Leia became CEO on May 11, 2011. Monies were paid to Mr. Leia were paid in the form of legal fees billed by Wolff Leia. The figures include fees, disbursement, other charges and GST. Actual fees billed to TAPC were: \$104,625 in 2020; \$114,640 in 2019.

(2) Mr. Leggatt became a director in 2014 and was interim CFO from May 2016 to June 2019.

(3) Mr. Zimmerman became interim CFO in June 2019. Debts accrued to Oilrac Enterprises Inc, a related party to Mr. Zimmerman were for geophysical consulting services to the issuer as an independent contractor and not an employee.

**Summary Compensation Table for WOGC for 12 months ended December 31, 2021**

The following table sets forth information concerning the total compensation paid during the twelve months ended December 31, 2021 to the Named Executive Officers and directors of WOGC.

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission <sup>(1)(2)</sup> (\$)	Bonus (\$)	Committee or Meeting Fees <sup>(3)(4)</sup> (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Gregory J. Leia CEO and Director	2021	170,978	Nil	Nil	Nil	Nil	170,978
Craig Leggatt, Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Gerry Roe Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
Tracy Zimmerman CFO and Director	2021	4,889	Nil	Nil	Nil	Nil	4,889

Notes:

(1) Monies were paid to Mr. Leia were paid in the form of legal fees billed by Wolff Leia and are included in the sums recorded by Mr. Leia. The figures include fees, disbursement, other charges and GST.

(2) Fees billed by Mr. Zimmerman

**Outstanding Share-Based Awards and Option-Based Awards**

No share-based (as opposed to option-based) awards have been granted to WOGC's Named Executive Officers for twelve month period ended December 31, 2021.

*Incentive Awards – Value Vested or Earned During the Year*

The following table summarizes the value of options held by Named Executive Officers of WOGC that vested during the twelve month period ended December 31, 2021

Name and Principal Position	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
<i>Gregory J. Leia Director and CEO</i>	Nil	Nil	Nil
<i>Tracy Zimmerman Director and CFO</i>	Nil	Nil	Nil

**Pension Plan Benefits**

WOGC does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

### Termination and Change of Control Benefits

Pursuant to the terms of the WOGC Stock Option Plan, in the event the optionholder resigns his employment, a consultant's contract terminates, or if an optionholder is terminated without cause, the optionholder may exercise such part of the option as is exercisable immediately prior to the time of such termination within a period which is the earlier of the normal expiry date of the option and 90 days following such resignation or termination and all unexercised options of the optionee will immediately terminate forthwith without further notice. If the optionee reaches the mandatory age of retirement or his services cease due to permanent disability, the optionholder may exercise such part of the option as is exercisable immediately prior to the time of retirement or cessation within a period which is the earlier of the normal expiry date of the option and 6 months following the date of retirement or cessation of services and all unexercised options of the optionee will immediately terminate forthwith without further notice. In the event of the death of the optionee, any options which the optionee could have exercised immediately prior to death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the option and six months of the optionee's death and all unexercised options of the optionee will immediately terminate forthwith without further notice. All options which remain unvested will vest and become fully exercisable by the optionee for 30 days following the consummation of a change of control. Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

### Compensation of Directors

The Corporation has no standard arrangement pursuant to which directors of WOGC are compensated by the Corporation for their services in their capacity as directors, however, all Board members are reimbursed for expenses incurred as part of their role as directors. Further, the Board of Directors may provide consulting fees to the directors as the Board sees fit. Each director who is not otherwise a full time employee of WOGC is eligible to receive stock options of WOGC.

The following table summarizes all amounts of compensation provided to the directors of TAPC, in their capacities as directors of TAPC, during the year ended December 31, 2020.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Gregory J. Leia <sup>(1)(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Roc <sup>(2)</sup>	Nil	Nil	Nil (3)	Nil	Nil	Nil	Nil
Craig Leggatt <sup>(2)</sup>	Nil	Nil	Nil(3)	Nil	Nil	Nil	Nil
Tracy Zimmerman	Nil	Nil	Nil(3)	Nil	Nil	Nil	Nil

#### Notes:

- (1) For a description of all compensation paid to Mr. Leia please refer to the sections herein entitled "*Compensation of Gregory J. Leia, President*", "*Summary Compensation Table*" and "*Incentive Awards*".
- (2) Messrs. Gregory Leia, Gerald Roe, Craig Leggatt and Tracy Zimmerman were appointed to the Board of Directors of TAPC effective May 10, 2011, May 24, 2011, May 18, 2014 and June 2019, respectively and WOGC on January 12, 2021, Mr. Leia has been a director of WOGC since 2009.

- (3) In February 2021: (a) Mr. Leggatt was granted 270,000 options to purchase common shares of TAPC for \$0.075 per common share; (b) Mr. Roe was granted 135,000 options to purchase common shares of TAPC for \$0.075 per share; and (c) Mr. Zimmerman was granted 135,000 options to purchase common shares of TAPC for \$0.075 per share.

The following table summarizes all amounts of compensation provided to the directors of WOGC, in their capacities as directors of WOGC for the twelve months ended December 31, 2021.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Gregory J. Leia <sup>(1)</sup> (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gerald Roe <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Craig Leggatt(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tracy Zimmerman	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) For a description of all compensation paid to Mr. Leia please refer to the sections herein entitled "*Compensation of Gregory J. Leia, President*", "*Summary Compensation Table*" and "*Incentive Awards*".
- (2) Messrs. Gregory Leia, Gerald Roe, Craig Leggatt and Tracy Zimmerman were appointed to the Board of Directors of Odaat effective January 12, 2021.
- (3) Messrs Gregory J. Leia was appointed a director of WOGC since 2009. Messrs Gerry Roe, Tracy Zimmerman and Craig Leggatt were appointed as directors of WOGC on January 12, 2021.

**16. Indebtedness of Directors and Executive Officers**

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

## **17 Risk Factors**

### ***WOGC Risk***

#### **17.1 Status and Stage of Development**

WOGC is subject to certain risks related to the nature of the WOGC's business and its stage of development. WOGC has producing properties and a history of losses, and there is no assurance that any of its properties will commence production, generate earnings, operate profitably or provide a return on investment in the future. With the exception of the Ellerslie production from Crossfield, Alberta gas wells and Waskahigan wells, all of the WOGC's assets are currently in the early stages of exploration or development. As a consequence, there is a risk that some or all of the WOGC's assets may not be developed on a timely basis or at all. Any occurrence impeding the recoverability of the reserves or reducing the associated production may have a material adverse effect on the WOGC. Numerous factors, many of which are beyond the WOGC's control, could impact the WOGC's ability to explore and develop the WOGC's assets and the timing thereof, including the risk factors set forth.

#### **17.2 Substantial Capital Requirements**

WOGC anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If its revenues or reserves decline, it may have limited ability to acquire or expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to WOGC. The potential inability of WOGC to access sufficient capital for its operations could have a material adverse effect on WOGC's financial condition, results of operations or prospects.

#### **17.3 Additional Funding Requirements**

WOGC's cash flow from its reserves, once developed, may not be sufficient to fund its ongoing activities at all times. From time to time, WOGC may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause WOGC to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If WOGC's revenues from its reserves, once developed, decrease as a result of lower oil and natural gas prices or otherwise, it will affect WOGC's ability to expend the necessary capital to replace its reserves or to maintain its production. If cash flow from operations is not sufficient for WOGC to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to WOGC.

#### **17.4 Working Capital Deficits**

To date WOGC has had limited revenue and no earnings from operations. In the past, the source of its working capital surplus has generally been equity rather than revenue from operations and WOGC may continue to incur working capital deficits in the future. WOGC cannot provide any assurance that it will be profitable in the future or that WOGC will be able to generate cash from operations or financings to fund working capital deficits.

#### **17.5 Issuance of Debt**

From time to time WOGC may enter into transactions to acquire assets or the shares of other entities. These transactions may be financed partially or wholly with debt, which may increase debt levels above industry standards. Depending on future exploration and development plans, WOGC may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither WOGC's articles nor its



by-laws will limit the amount of indebtedness that it may incur. The level of WOGC's indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

#### **17.6 Depletion of Reserves**

WOGC's oil and natural gas reserves and production, and therefore its cash flows and earnings, will be highly dependent upon WOGC developing and increasing its current reserve base and discovering or acquiring additional reserves. Without the addition of reserves through exploration, acquisition or development activities, WOGC's reserves and production will decline over time as reserves are depleted. To the extent that cash flow from operations is insufficient and external sources of capital become limited or unavailable, WOGC's ability to make the necessary capital investments to maintain and expand its oil and natural gas reserves will be impaired. There can be no assurance that WOGC will be able to find and develop or acquire additional reserves to replace production at commercially feasible costs.

#### **17.7 Insurance**

WOGC's involvement in the exploration for and development of oil and natural gas properties may result in it becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although prior to drilling WOGC will seek to obtain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, WOGC may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to WOGC. The occurrence of a significant event that WOGC is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the WOGC's financial position, results of operations or prospects.

#### **17.8 Management of Growth**

WOGC may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of WOGC to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expend, train and manage its employee base. The potential inability of WOGC to deal with this growth could have a material adverse impact on its business, operations and prospects.

#### **17.9 Expiration of Concessions, Licenses and Leases**

WOGC's properties will be held in the form of concessions, licenses and leases and working interests in licenses and leases. If WOGC or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of WOGC's concessions, licenses or leases or the working interests relating to a license or lease may have a material adverse effect on its results of operations and business.

#### **17.10 Dividends**

To date, WOGC has not paid any dividends on its outstanding Common Shares. Payment of dividends in the future on the Common Shares will be dependent on, among other things, the cash flow, results of operations and financial

condition of WOGC, the need for funds to finance ongoing operations and other business considerations as the board of directors of WOGC considers relevant.

#### **17.11 Third Party Credit Risk**

WOGC may be exposed to third party credit risk through its contractual arrangements with current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations, such failures could have a material adverse effect on WOGC and its cash flow from operations.

#### **17.12 Conflicts of Interest**

The directors or officers of WOGC may also be directors or officers of other oil and gas companies or otherwise involved in natural resource exploration and development and situations may arise where they are in a conflict of interest with WOGC. The directors of WOGC are required by applicable corporate law to act honestly and in good faith with a view to WOGC's best interests and to disclose any interest which they may have in any project or opportunity to WOGC. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the *Business Corporations Act (Alberta)* which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with WOGC to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the *Business Corporations Act (Alberta)*.

#### **17.13 Reliance on Third Party Operators and Key Personnel**

WOGC's success depends, to a significant extent, upon management and key employees. The loss of key employees could have a negative effect on WOGC. Attracting and retaining additional key personnel will assist in the expansion of WOGC's business. The WOGC faces significant competition for skilled personnel. There is no assurance that WOGC will successfully attract and retain personnel required to continue to expand its business and to successfully execute its business strategy. WOGC's shareholders must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of WOGC.

#### **17.14 Operational Dependence**

It is expected that other companies may operate some of the assets in which WOGC has an interest. As a result, WOGC will have limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect WOGC's financial performance. WOGC's return on assets operated by others therefore depends upon a number of factors that may be outside of WOGC's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

To the extent WOGC is not the operator of its properties, WOGC will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators. In addition, the success of WOGC will be largely dependent upon the performance of its management and key employees.

WOGC's geological focus is on areas in which the prospects are well understood by management. Technological tools are regularly used to reduce risk and increase the probability of success. Maintaining a highly motivated and talented staff of petroleum and natural gas professionals further minimizes the business risk.

#### **17.15 Dilution**

WOGC may make future acquisitions or enter into financings or other transactions involving the issuance of securities of WOGC which may be dilutive.

#### **17.16 Income Taxes**

WOGC has and will, file all required income tax returns. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of WOGC whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

### ***Industry Risk***

#### **17.17 Crude Oil and Natural Gas Development**

Exploration, appraisal and development of crude oil and natural gas reserves is speculative and involves a significant degree of risk. There is no guarantee that further exploration or appraisal of WOGC's properties will lead to commercial discoveries or, if there are commercial discoveries, that WOGC will be able to realize such reserves as intended. Few properties that are explored are ultimately developed into new reserves. If at any stage WOGC is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, WOGC's business, financial condition and/or results of operations and, accordingly, the trading price of WOGC's securities, is likely to be materially adversely affected.

### **17.18 Volatility of Crude Oil and Gas Prices and Markets**

WOGC's financial condition, operating results and future growth are dependent on the prevailing prices for its crude oil, natural gas and NGL production. Historically, the markets for crude oil, natural gas and NGL have been volatile and such markets are likely to continue to be volatile in the future. Prices for crude oil, natural gas and NGL are subject to large fluctuations in response to relatively minor changes to the demand for crude oil, natural gas and NGL, whether the result of uncertainty or a variety of additional factors beyond the control of WOGC. WOGC must periodically negotiate contracts with a limited number of potential purchasers. Pricing of crude oil is dependent on supply and demand for specific qualities of oil in specific market areas and quality differentials are therefore subject to change with time. Any substantial decline in the prices of crude oil, natural gas or NGL could have a material adverse effect on WOGC and the level of its crude oil, NGL and natural gas reserves. Additionally, the economics of producing from some wells may change as a result of lower prices, which could result in a suspension of production by WOGC. No assurance can be given that crude oil, natural gas or NGL prices will be sustained at levels which will enable WOGC to operate profitably. A substantial material decline in prices from historical average prices could reduce WOGC's ability to borrow funds.

### **17.19 Foreign Currency and Fiscal Matters**

WOGC's operations and expenditures may be paid in foreign currencies. As a result, WOGC may be exposed to market risks resulting from fluctuations in foreign currency exchange rates. A material drop in the value of any such foreign currency could result in a material adverse effect on WOGC's cash flow and revenues. Amendments to current taxation laws and regulations which alter tax rates and/or capital allowances could have a material adverse impact on the WOGC. To the extent revenues and expenditures denominated in or strongly linked to the U.S. dollar are not equivalent, WOGC may be exposed to exchange rate risk. WOGC may be exposed to the extent U.S. dollar revenues do not equal U.S. dollar expenditures.

### **17.20 Exploration, Development and Production Risks**

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of WOGC will depend on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves WOGC may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in WOGC's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that WOGC will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, WOGC may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by WOGC. Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such

operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, WOGC will not be fully insured against all of these risks, nor are all such risks insurable. Although WOGC will maintain liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event WOGC could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

#### **17.21 Competition**

The oil and gas industry is intensely competitive. Competition is particularly intense in the acquisition of prospective oil properties and oil and gas reserves. WOGC's competitive position depends on its geological, geophysical and engineering expertise, its financial resources, its ability to develop its properties and its ability to select, acquire and develop proved reserves. WOGC competes with a substantial number of other companies having larger technical staffs and greater financial and operational resources. Many such companies not only engage in the acquisition, exploration, development and production of oil reserves, but also carry on refining operations and market refined products. WOGC also competes with major and independent oil companies and other industries supplying energy and fuel in the marketing and sale of oil to transporters, distributors and end users, including industrial, commercial and individual consumers. WOGC may also be subject to competition from the alternative fuel industry. WOGC also competes with other oil companies in attempting to secure drilling rigs and other equipment necessary for drilling and completion of wells. Such equipment may be in short supply from time to time, and has been in particularly short supply recently due to the increase in the market price of oil. In addition, equipment and other materials necessary to construct production and transmission facilities may be in short supply from time to time. Finally, companies not previously investing in oil may choose to acquire reserves to establish a firm supply or simply as an investment. Such companies will also provide competition for WOGC.

## **17.22 Regulatory**

The oil and gas industry is subject to extensive controls and regulations imposed by various levels of government governing such matters as land tenure, prices, royalties, production rates, environmental protection controls, income, the exportation of crude oil, natural gas and other products, as well as other matters. The industry is also subject to regulation by governments in such matters as the awarding or acquisition of exploration and production rights or other interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possibly expropriation or cancellation of contract rights. Environmental concerns relating to the oil and gas industry's operating practices are expected to increasingly influence government regulation and consumption patterns which favour cleaner burning fuels such as natural gas. WOGC is uncertain as to the amount of operating and capital expenses that will be required to comply with enhanced environmental regulation in the future. Government regulations may be changed from time to time in response to economic or political conditions. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for crude oil and natural gas, increase WOGC's costs and have a material adverse impact on WOGC. Existing laws or regulations, as currently interpreted or reinterpreted in the future, or future laws or regulations may change in the future and materially adversely affect WOGC's results of operations and financial condition. Before proceeding with a project, the participants in the project must obtain all required regulatory approvals. The regulatory approval process can involve stakeholder consultation, environmental impact assessments and public hearings, among other things. In addition, regulatory approvals may be subject to conditions including security deposit obligations and other commitments. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of the projects undertaken by WOGC and increased costs, all of which could have a material adverse affect on WOGC.

## **17.23 Environmental**

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require WOGC to incur costs to remedy such discharge. Although the predecessors to WOGC believe they are in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect WOGC's financial condition, results of operations or prospects.

#### **17.24 Prices, Markets and Marketing**

The marketability and price of oil and natural gas that may be acquired or discovered by WOGC will be affected by numerous factors beyond its control. WOGC's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. WOGC may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities, and related to operational problems with such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. WOGC's revenues, profitability, future growth and the carrying value of its oil and gas properties, provided such properties yield production, are substantially dependent on prevailing prices of oil and gas. WOGC's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of WOGC. These factors include economic conditions, in the United States, Canada, the actions of the Organization of Petroleum Exporting Countries, governmental regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and gas, the price of foreign imports and the availability of alternative fuel sources. Any substantial and extended decline in the price of oil and gas would have an adverse effect on WOGC's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations. The exchange rate between the Canadian and U.S. dollar also affects the profitability of WOGC. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects. In addition, bank borrowings available to WOGC will in part be determined by WOGC's borrowing base. A sustained material decline in prices from historical average prices could reduce WOGC's borrowing base, therefore reducing the bank credit available to it and require that a portion, or all, of WOGC's bank debt be repaid.

#### **17.25 Availability of Drilling Equipment and Access**

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to WOGC and may delay exploration and development activities. There can be no assurance that sufficient drilling and completion equipment, services and supplies will be available when needed. Shortages could delay WOGC's proposed exploration, development and sales activities, and could have a material adverse effect on WOGC's financial condition. If the demand for, and wage rates of, qualified rig crews rise in the drilling industry then the oil and gas industry may experience shortages of qualified personnel to operate drilling rigs. This could delay the WOGC's drilling operations and adversely affect WOGC's financial condition and results of operations. To the extent it is not the operator of its oil and gas properties, WOGC will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

#### **17.26 Title to Assets**

Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. While it is the practice of WOGC, in acquiring significant oil and gas leases or interest in oil and gas leases to fully examine the title to the interest under the lease, this should not be construed as a guarantee of title. In the case of minor acquisitions, WOGC may have relied upon the judgment of oil and gas lease brokers or landmen who perform the field work in examining records in the appropriate governmental office before attempting to place under lease a specific interest. There may be title defects that affect lands comprising a portion of WOGC's properties. To the extent title defects do exist, it is possible that WOGC may lose all or a portion of its right, title, estate and interest in and to the properties to which the title relates.

Although title reviews will be done according to industry standards prior to the purchase of most crude oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of WOGC which could result in a reduction of the revenue received by it. In civil law jurisdictions, legal title is not perfected until such time as the appropriate governmental authorities and the executive branch approve the assignment of a participating interest, record the title holder in the applicable registry and issue a decree. As a result, it is common business practice for commercial parties to proceed with the completion of a purchase and sale transaction, notwithstanding the fact that governmental approval may take years to properly reflect these business dealings. In these cases, title review due diligence involves ensuring that the current title holder has started the different authorization procedures, and also involves an update as to the status of the required authorizations.

#### **17.27 Reserves Are Estimates Only**

There are numerous uncertainties inherent in estimating quantities of proved, probable and possible reserves and future net revenue to be derived therefrom, including many factors beyond the control of WOGC. The reserve and future net revenue information set forth herein (or contained in the documents incorporated by reference) represents estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net revenue therefrom are based upon a number of variable factors and assumptions such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of crude oil, natural gas liquids and natural gas, operating costs, abandonment and salvage values, royalties and other government levies that may be imposed over the producing life of the reserves. All such estimates are to some degree speculative, and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected there from prepared by different engineers, or by the same engineers at different times, may vary. WOGC's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

#### **17.28 Surface Rights and Access**

Although WOGC acquires the rights to produce some or all of hydrocarbons in the ground, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by such oil and gas rights. In such cases, applicable laws usually provide for rights of access to the surface for the purpose of carrying on exploration, development and production activities; however, the enforcement of such rights through the courts can be costly and



time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that WOGC, despite having the right at law to access the surface and carry on exploration, development and production activities, will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned activities. In addition, in circumstances where such access is denied, or no agreement can be reached, WOGC may need to rely on the assistance of local officials or the courts in the applicable jurisdiction, the outcomes of which cannot be predicted with any certainty. The inability of WOGC to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of WOGC to explore, develop or produce from any hydrocarbon reservoirs it may locate.

#### **17.29 Transportation Costs**

Disruption in or increased costs of transportation services could make oil and natural gas a less competitive source of energy or could make WOGC's oil and natural gas less competitive than other sources. The industry depends on rail, trucking, ocean-going vessels, pipeline facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying oil and natural gas. Disruptions of these transportation services because of weather related problems, strikes, lockouts, delays or other events could temporarily impair the ability to supply oil and natural gas to customers and may result in lost sales. In addition, increases in transportation costs, or changes in transportation costs for oil and natural gas produced by competitors, could adversely affect profitability. To the extent such increases are sustained, the WOGC could experience losses and may decide to discontinue certain operations forcing the WOGC to incur closure and/or care and maintenance costs, as the case may be. Additionally, lack of access to transportation may hinder the expansion of production at some of WOGC's properties and WOGC may be required to use more expensive transportation alternatives.

#### **17.30 Pipeline Capacity**

Although pipeline expansions are ongoing, the availability of sufficient pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market natural gas production. In addition, the provisioning of capacity on the inter-provincial pipeline systems also continues to affect the ability to export oil and natural gas.

#### **17.31 Disruptions in Production**

Other factors affecting the production and sale of oil and natural gas that could result in decreases in profitability include: (i) expiration or termination of leases, permits or licenses, or sales price re-determinations or suspension of deliveries; (ii) future litigation; (iii) the timing and amount of insurance recoveries; (iv) work stoppages or other labour difficulties; (v) worker vacation schedules and related maintenance activities; and (vi) changes in the market and general economic conditions. Weather conditions, equipment replacement or repair, fires, amounts of rock and other natural materials and other geological conditions can have a significant impact on operating results.

#### **17.32 Risk Management**

Oil and gas exploration and development companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, it is anticipated that WOGC will strive to manage such risks to the extent possible and practical.

#### **17.33 Cost of New Technologies**

The oil and gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil and gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before WOGC does. There can be no assurance that WOGC will be able to respond

to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. One or more of the technologies currently utilized by the WOGC or implemented in the future may become obsolete. In such case, the WOGC's business, financial condition and results of operations could be materially adversely affected. If WOGC is unable to utilize the most advanced commercially available technology, WOGC's business, financial condition and results of operations could be materially adversely affected.

## **18 Promoters**

There are no individuals or companies that have, within the two most recently completed financial years or during the current financial year, acted as a promoter of WOGC or its subsidiaries.

## **19. Legal Proceedings and Regulatory Actions**

### **19.1 Legal Proceedings**

There are no material legal proceedings to which WOGC is a party or in respect of which any of the assets of WOGC or its subsidiaries (Odaat and Jadela US) are subject, which will be material to WOGC and WOGC is not aware of any proceedings that are contemplated except as set out hereinafter. Two potential lawsuits: (1) Odaat engaged a service provider to perform a coil tube workover. The contract called for a 31 mm coil tube. The service provider came with a 38 mm coil tube. The coil tube was too big. Two days were spent with the 38 mm coil tube. Two days later the service provider brought a 31 mm coil tube and completed the job. Two days were spent with the 31 mm coil tube. The service provider billed Odaat for 4 days. Odaat is only prepared to pay for the 2 days with the 31 mm coil tube; (2) TAPC may claim a \$34,000 GST refund. Odaat/WOGC dispute the claim.

### **19.2 Regulatory Actions**

There have been no: (a) penalties or sanctions imposed against WOGC by a court relating to securities legislation or by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against WOGC (or its subsidiaries Odaat or Jadela US); and (c) settlement agreements WOGC (or its subsidiaries Odaat or Jadela US) entered into with a court relating to securities legislation or with a securities regulatory authority.

## **20. Interest of Related Persons in Material Transactions**

Except as disclosed in this Listing Application, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

Mr. Leia is an officer, director and shareholder of El Indio Investments Corp., El Indio Investment Corp. entered into a series of transactions with WOGC with respect to Maverick County, Texas assets of WOGC in 2011. El Indio Investment Corp owns a 7.5% working interest in the El Indio #1H wellbore and surface equipment and has a 7.5% obligation for abandonment and remediation. Mr. Leia, indirectly through, Future Key Management Inc., owns 65% of Smoky which has lent money to WOGC pursuant to a loan and participation agreement dated July 31, 2017. Mr. Leia is 100% owner of 1454871 which had entered into a farmout agreement with the Corporation as of July 31, 2017. On May 15, 2019, the agreement was terminated retroactive to July 31, 2017 and reactivated on September 18, 2020 and terminated on March 31, 2021 when 1454871 did not elect to activate the farmout agreement.

WOGC entered into a LPA with Smoky and 1454871 on July 31, 2017. Pursuant to the terms of the LPA, Smoky lent WOGC the sum of \$1,326,593 to make the Waskahigan Asset acquisition. All obligations owing are secured by a general security agreement charging all of the assets of WOGC. The interest rate on the loan principal is 6% per annum. During the twelve month period ending December 31, 2021 WOGC incurred \$71,948 (TAPC \$72,070 in 2020 and \$97,176 in 2019) of interest on the loan. Gregory J. Leia is President and a director of WOGC. Gregory J. Leia is an officer and director of Smoky. Gregory J. Leia owns approx. 65% of the common shares and preferred shares of Smoky.

## **Related Party Transactions**

**TAPC:** During the twelve month period ended December 31, 2020 TAPC was charged \$104,635 (2019 - \$114,640) by a company controlled by Gregory J. Leia, an officer and director for consulting fees. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Tracy Zimmerman owns 3.75% of Smoky. Oilrac Enterprises Inc, a related part to Mr. Zimmerman invoiced TAPC for consulting fees of \$29,327 in 2020. Mr. Leia and Mr. Zimmerman are shareholders of Smoky which received interest under the LPA. Mr. Leia is a shareholder of 1454871 which has a farmout agreement with WOGC. Mr. Leia is a shareholder of EIIC which is responsible for part of the abandonment costs of the El Indio #1 well in Maverick County, Texas.

**WOGC:** During the twelve month period ended December 31, 2021 WOGC was charged \$170,978 by a company controlled by Gregory J. Leia, an officer and director for legal fees. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Tracy Zimmerman owns 3.75% of Smoky. Oilrac Enterprises Inc, a related part to Mr. Zimmerman invoiced TAPC for consulting fees of \$4,889 in 2021.

## **21. Auditors, Transfer Agents and Registrars**

### **21.1 Auditors**

The auditors are Crowe MacKay LLP, Chartered Professional Accountants. Crowe MacKay LLP report they are independent of WOGC within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

### **21.2 Transfer Agent and Registrar**

Computershare, at its principal office in Calgary, Alberta is the registrar and transfer agent for the WOGC Shares.

### **21.3 Agent, Sponsor or Advisor**

There is currently no Agent, Sponsor or Advisor retained by WOGC in connection with this Application.

## **22. Material Contracts**

he contracts entered into by WOGC that materially affect WOGC or to which it will become a party on or prior to the date of this Application that can be reasonably be regarded as material to the proposed investor in the WOGC Shares, other than contract entered into in the ordinary course, are the following:

1. Asset Purchase Agreement amongst TAPC, WOGC and Odaat dated January 12, 2021.
2. Arrangement Agreement
3. TAPC LPA
4. WOGC/Odaat LPA
5. Gas Processing Agreement between WOGC and Paramount Resources Ltd.
6. Gas Processing Agreement between i3 Energy Canada Inc and Odaat
7. Transition Agreement
8. Intercreditor Agreement

## **23. Experts**

Information relating to WOGC Projects in this Application is derived from the technical report prepared by GLJ and has been included in reliance on such persons expertise. To the Applicants knowledge, GLJ does not beneficially own any shares in the Applicant.

No person whose profession or business gives authority to a statement made by such person and who is named in this Information Circular has received or will receive a direct or indirect interest in the Company's property or any associate or affiliate of the Company.

### **23.1 Name of Experts**

The following are persons or companies whose profession or business gives authority to a statement made in this Information Circular as having prepared or certified a part of that document, report, or valuation described in this Information Circular:

Crowe MacKay LLP, Chartered Professional Accountants, are the auditors of TAPC, who prepared the audit report on the TAPC's consolidated Financial Statements as of December 31, 2020 included in and forming part of this Information Circular;

Crowe MacKay LLP, Chartered Professional Accountants Company, are the auditors of WOGC, who prepared the audit report on the WOGC's consolidated Financial Statements as of December 31, 2019, December 31, 2020 and December 31, 2021 included in and forming part of this Information Circular; and

GLJ Ltd., prepared the NI 51-101 compliant Report on Reserve Estimation and Economic Evaluation of certain oil and gas assets of WOGC, effective December 31, 2021, the majority of which is reproduced in and forms part of this Information Circular and is available in its full form on the Company's profile on SEDAR.

### 23.2 Interest of Experts

No person whose profession or business gives authority to a statement made by such person and who is named in this Information Circular has received or will receive a direct or indirect interest in the Company's property or any associate or affiliate of the Company.

Crowe MacKay LLP, Chartered Professional Accountants has confirmed that it is independent of the Company in accordance with the *Code of Professional Conduct of the Chartered Professional Accountants*.

Wolff Leia are legal counsel to the Company and participated in the preparation of this Information Circular is not independent.

Save and except for the persons mentioned below, as at the date hereof, none of the aforementioned persons beneficially owns, directly or indirectly, securities of the Company or its associates and affiliates. In addition, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of the Company or of an associate or affiliate of the Company, or as a promoter of the Company or an associate or affiliate of the Company.

Gregory J. Leia, a director and President of WOGC, Odaat, Jadela US and FCE (formerly) BlocNRG, is also President of GJLPC which carries on business as an independent practitioner under the trade name Wolff Leia, Barristers and Solicitors, solicitors for WOGC, Odaat, Jadela US and FCE (formerly) BlocNRG. Mr. Leia is the beneficial (or registered) owner, directly or indirectly, of 7,543,100 common shares (57%) as of the date of this Information Circular.

## Appendix G

### Information Concerning Waskahigan Oil & Gas Corp

#### After Giving Effect to the Plan of Arrangement

#### Corporate Structure

#### Name and Incorporation

The name of the corporation is: Waskahigan Oil & Gas Corp. Its head office and registered office is 203-221-10<sup>th</sup> Avenue SE Calgary Alberta, Canada T2G 0V9

#### Corporate History:

There are no subsidiaries.

#### General Development of the Business

[to be determined]

#### Corporate Reorganization of WOGC

WOGC has been approached by a group who would like to use the status of WOGC as a reporting issuer to become listed on a Canadian stock exchange. The group would like to broker a business combination more commonly referred to as a reverse takeover (RTO) (share exchange) provided WOGC does not have any oil and gas assets and no liabilities. No definitive and binding business combination or RTO agreement has been signed. In the normal course, the target RTO shareholders would exchange their share for shares in WOGC such that they would control WOGC. In the normal course, WOGC would change its name to the name of the target company (“Resulting Issuer”). Post business combination WOGC would be referred to as the “Resulting Issuer”. The Resulting Issuer would have a new trading symbol. In the normal course, monies would be invested by private placement into the Resulting Issuer. Existing WOGC shareholders will remain shareholders of the Resulting Issuer. There would be new directors and officers. There would be new auditors. Gregory J. Leia will sell his shares in WOGC post Plan of Arrangement such that Gregory J. Leia will not be a control person of WOGC post Plan of Arrangement or upon closing of the business combination. The secured creditor of WOGC will discharge an its security against the Resulting Issuer. The registered office will change. WOGC will have to apply to the CSE for approval of the business combination. WOGC will have to hold a shareholder meeting to approve the business combination. WOGC Shareholders will be entitled to dissent rights if they do not favor the business combination. Upon approval and closing of the Plan of Arrangement, there shall be no assets of WOGC. There shall be no liabilities. Because WOGC will not meet CSE minimum listing requirements, trading in the shares of WOGC will be halted until such time as WOGC acquires assets or otherwise meets the minimum listing requirements of the CSE. There is no guarantee this will happen. If WOGC does not meet the listing requirement within a fixed period of time then WOGC could be delisted from the CSE.

Post reorganization there will be no assets.

The principal shareholder shall be Gregory J. Leia until change of control and RTO

#### MANAGEMENT DISCUSSION AND ANALYSIS

WOGC has filed audited financial statements for the fiscal period ended December 31, 2021 on [www.sedar.com](http://www.sedar.com) and has attached the Statements as **APPENDIX “E”** to this Information Circular. WOGC has filed Management Discussion and Analysis dated as of April 2022 for the fiscal period ended December 31, 2021 and such document is incorporated herein by reference.

There will be no liabilities. The Company's financial liabilities and contractual obligations as at September 30, 2022 are due as follows:

	Due in 1-3 months	Total
	\$	\$
Accounts payable and accrued liabilities	Nil	Nil
Loans payable	Nil	Nil

**Dividends or Distribution**

There has been no cash dividends or distributions declared on the common shares in any of the three most recently completed financial years. There is no restriction that could present WOGC from paying dividends other than loan covenants. WOGC does not intend to declare dividends until such time as its secured debt is paid.

Liquidity risk - WOGC's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations when due, under normal and stressed conditions without incurring unacceptable losses or risking harm to the WOGC's reputation. WOGC has to date required funds from private placements to finance capital expenditures and operations.

**Capital Resources**

WOGC plans to continue financing the through private placements.

**Description of Securities**

The authorized share capital of WOGC consists of an unlimited number of common shares and an unlimited number of first preferred shares ("**WOGC Preferred Shares**"). As of the date hereof, 12,196,868 common shares were issued and outstanding as fully paid and non-assessable shares. No WOGC Preferred Shares were outstanding.

The holders of WOGC Common Shares are entitled to receive notice of and to attend and vote at all annual and special meetings of shareholders and are entitled to one vote per WOGC Common Share, either in person or by proxy. Subject to any prior rights of the holders of WOGC Preferred Shares, the holders of WOGC Common Shares are entitled to receive such dividends as the board of directors of the Company declare. In the event of the liquidation, dissolution or winding-up of WOGC, whether voluntary or involuntary, the holders of the WOGC Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of WOGC, the remaining property and assets of WOGC.

The Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the terms of the Preferred Shares, the board of directors of WOGC may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of Preferred Shares. The Preferred Shares shall be entitled to priority over the Common Shares and all other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of WOGC in the event of any liquidation, dissolution or winding up of WOGC or other distribution of assets of WOGC among its shareholders for the purpose of winding up its affairs. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of WOGC in the event of any liquidation, dissolution or winding up of WOGC or other distribution of assets of WOGC among its shareholders for the purpose of winding up its affairs.

## Share Capital

Authorized:		
Unlimited Common voting shares with no par value		
Unlimited Preferred shares, issuable in series, with rights and privileges to be determined at time of issue		
Issued:		
Common shares	Number of shares	Value
Balance, December 31, 2021	13,196,868	\$100.00

## Contributed Surplus

The Company's contributed surplus consists of value assigned to issued options and other contributions from related parties. The balance as of December 31, 2021 was 447,807

## Warrants

There are no warrants outstanding as of September 30, 2022 or February 21, 2023.

## Stock Options

There are no stock options outstanding as of September 30, 2022 or February 21, 2023.

## Stock Option Plan

WOGC's Stock Option Plan is attached as **APPENDIX "K"**

## PRIOR SALES

There have been no sales of securities of WOGC for the 12 month period before the date of this Information Circular.

## PRICE RANGE AND TRADING VOLUMES

The WOGC Common Shares are listed and posted for trading on the TSXV under the trading symbol "TPC". The following table sets forth the reported high and low sale prices and the aggregate volume of trading of the Common Shares on the TSXV for the months indicated. **Upon completion of the Plan of Arrangement the trading in the shares of WOGC will be suspended. Because the assets of WOGC will be transferred to WOGC (Odaat) past trading prices for the WOGC shares are unlikely to reflect the trading value of WOGC post a RTO.**

## Escrowed Securities and Securities subject to Contractual Restriction on transfer.

There are no escrowed securities or securities subject to contractual restriction transfer.

## DIRECTORS

The following information concerning the directors has been furnished by each of them:



Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled <sup>(1)</sup> and percentage of total issued and outstanding
<p>GREGORY J. LEIA Calgary, Alberta Canada President and Chief Executive Officer and a Director</p>	<p>Mr. Leia is the President of 1454871 Alberta Ltd. (formerly Batoche Oil &amp; Gas Exploration Ltd.) and El Indio Investment Corp. both private oil and gas exploration firms. From June 2007 to May 2010, Mr. Leia was the President of Batoche Energy Corp which amalgamated with Antler Creek Energy Corp whose common shares were listed on the TSXV. Antler Creek Energy Corp changed its name to Pinecrest Energy Inc. Mr. Leia received a Bachelor of Commerce and a Bachelor of Laws from the University of Saskatchewan. Mr. Leia has practiced law in the Province of Alberta for almost 40 years primarily with the law firm Wolff Leia, Calgary, Alberta.</p>	<p>May 10, 2011</p>	
<p>GERALD ROE <sup>(2)</sup> Calgary, Alberta Canada Director</p>	<p>Mr. Roe has over 46 years of experience in the upstream oil and gas industry. Mr Roe was a Director and Chairman of the Board of GasFrac Energy Services Inc. an oil services company listed on the TSX until June 2014. Mr. Roe was the Chief Operating Officer (from January 2005 to November 2007) and the Vice-President, Operations (from May 2004 and January 2005) of Oilexco Incorporated, an oil and gas company that was listed on the TSX and the London Stock Exchange. Since October 2003, Mr. Roe has been a director of ExGen Resources Ltd. (formerly Boxxer Gold Corp.), a mining company listed on the TSXV. From May 2009 to 2013, Mr. Roe was VP Operations of Canadian Overseas Petroleum Limited, an oil and gas company listed on the TSXV. Mr. Roe received a Bachelor of Science in Mechanical Engineering from Montana State University.</p>	<p>January 12, 2021</p>	<p>40,000 (0.3%)</p>
<p>CRAIG LEGGATT <sup>(2)</sup> Calgary, Alberta Canada Interim CFO, Director</p>	<p>Mr. Leggatt has worked number of different capacities in the capital markets for over 15 years. His capital markets experience encompasses investigations and enforcement with the Alberta Securities Commission; senior compliance experience with full service investment dealers and an institutional boutique; and corporate finance experience in the venture capital markets wherein Mr. Leggatt was responsible for junior market deals valued in excess of \$100 million. Mr. Leggatt received a Bachelor of Arts degree from the University of Waterloo and a Bachelor of Laws degree from Queen's University. Mr. Leggatt has been a member of the Law Society of Upper Canada since 1991 (inactive) and a member of the Law Society of Alberta since 1997. Mr. Leggatt practices law with Wolff Leia an energy and securities law boutique in Calgary.</p>	<p>January 12, 2021</p>	<p>Nil (0%)</p>
<p>TRACY ZIMMERMAN Calgary, Alberta Director</p>	<p>Mr. Zimmerman holds a Geological Engineering degree from the University of Saskatchewan. Mr. Zimmerman holds a Professional Geoscientist designation from APEGA. Mr. Zimmerman has 34 years of experience in the oil and gas industry primarily in western Canada. Mr. Zimmerman was principal in junior startup Cheveyo Energy Ltd. which was sold in 2014.</p>	<p>January 12, 2021</p>	

**Notes:**

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors. These figures do not include any securities that are convertible into or exercisable for Common Shares. These figures are based on the number of Common Shares issued and outstanding as of the date of this Management Proxy Circular.
- (2) Member of the Audit Committee.

*Corporate Cease Trade Orders or Bankruptcies*

On May 6, 2019, the securities of the Corporation were cease traded for failure to file the audited financial statements and management discussion and analysis for the fiscal year ended December 31, 2018. On May 15, 2019, the Corporation filed the required documents. On May 17, 2019, the cease trade was revoked. Gregory J. Leia, Craig Leggatt and Gerald Roe were directors at the time.

Other than as set out below, no proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Mr. Gerald Roe was a director of Queve Group Inc., which was ceased traded on October 1, 2002 for failure to file financial statements.

*Individual Bankruptcies*

No proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

*Penalties or Sanctions*

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

*Conflicts of Interest*

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other oil and gas WOGCs, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the ABCA.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

## **INTEREST OF RELATED PERSONS IN MATERIAL TRANSACTIONS**

Except as disclosed in this Management Proxy Circular, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.

## **RELATED PARTY TRANSACTIONS**

Mr. Leia will be charging WOGC legal fees for services provided from time to time.

## **PROMOTERS**

There are no individuals or companies that have, within the two most recently completed financial years or during the current financial year, acted as a promoter of WOGC or its subsidiaries.

## **LEGAL PROCEEDINGS**

Except as described below, neither WOGC nor any of its properties were a party to or the subject of any material proceedings during the financial year ended December 31, 2021 nor is WOGC aware of any such legal proceedings to be contemplated. WOGC has not: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2021; (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important by a reasonable investor in making an investment decision; and (iii) entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2021.

## **AUDITOR TRANSFER AGENT AND REGISTRAR**

WOGC's transfer agent and registrar for its common shares is Computershare with a principal office at 600, 530 – 8th Ave SW, Calgary, AB T2P 3S8.

## Appendix “H”

### Information about FCE Post Plan of Arrangement

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## **2. CORPORATE STRUCTURE**

### **2.1 Name, Address and Incorporation**

Fox Creek Energy Corp was incorporated under the ABCA on February 26, 2007. Its head office and registered office is 203, 221-10<sup>th</sup> Avenue SE, Calgary, Alberta, Canada T2G 0V9.

### **2.2 Jurisdiction of Incorporation**

*Corporate History of FCE Corp.* 2361990 Alberta Ltd. was incorporated pursuant to the Laws of Alberta on July 15, 2021. 2361990 Alberta Ltd. changed its name to Bloc NRG Corp. on December 13, 2021. Gregory J. Leia became a director and officer on July 15, 2021. On January 1, 2021, Gerald Roe, Tracy Zimmerman and Craig Leggatt became the directors of Odaat. On January 1, 2023, Tracy Zimmerman became the chief financial officer. On January 1, 2023, Gerald Roe and Craig Leggatt became audit committee members.

*Corporate History of Odaat Oil Corp.* 2313838 Alberta Ltd. was incorporated pursuant to the laws of Alberta on January 12, 2021. On January 12, 2021, Gregory J. Leia, Gerald Roe, Tracy Zimmerman and Craig Leggatt became the directors of Odaat. On January 12, 2021, Gregory J. Leia became the President and Tracy Zimmerman became the chief financial officer. On January 12, 2021, Gerald Roe and Craig Leggatt became audit committee members.

*Corporate History of Jadela Oil (US) Operating LLC.* Jadela Oil (US) Operating LLC was formed as a limited liability company pursuant to the laws of Texas, USA on March 14, 2011. The Manager is Gregory J. Leia. Jadela US was formed to own the US assets of FCE.

### **2.3 Intercorporate Relationships**

FCE owns 100% of the shares of:

- (a) Odaat;
- (b) Jadela US

Effective January 1, 2021, WOGC transferred 100% of the shares of Jadela Oil (US) Operating LLC to FCE. Effective January 1, 2021, WOGC transferred all of its assets and liabilities to Odaat Oil Corp.

### **2.4 Fundamental Change**

FCE will become a reporting entity in Alberta and British Columbia when WOGC, FCE and Odaat file Articles of Arrangement implementing the Plan of Arrangement.

### **2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada**

This section is not applicable to the Company.

## **3.0 GENERAL DESCRIPTION OF THE BUSINESS**

See Section 3 in Appendix "F"

## **4. NARRATIVE DESCRIPTION OF THE BUSINESS**

See Section 4 in Appendix "F"

#### **4.1(1)(c) Funds Available and Use of Funds**

FCE expects to pay for the \$350,000 in section 4.1(b) in Appendix "F" from the \$500,000 private placement or loans. There is no guarantee FCE can raise the equity or can borrow the funds. There is no assurance that additional equity capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

#### **Future Financing**

The Company is not planning any future financings other than the \$500,000 private placement.

#### **Administrative Costs**

An estimate of the general and administrative expenses of FCE for the next 12 months is as follows:

<b>General &amp; Administrative Items</b>	<b>Costs</b>
Salaries	\$5,000
Legal Fees	100,000
Technical Studies	25,000
Accounting Fees	50,000
Overhead	50,000
Insurance	15,000
Regulatory fees and transfers	20,000
Land software	20,000
Subtotal	\$285,000
Interest on debt (\$1,085,000 at 6% per annum)	65,000
Total	\$350,000

#### **4.1(2) Principal Products or Services**

See Section 4.1(2) in Appendix "F".

#### **4.1(3) Production and Sales**

See Section 4.3 in Appendix "F".

#### **4.1(4) Competitive Conditions**

See Section 4.1(4) in Appendix "F".

#### **4.1(5) Lending and Investment Policies and Restrictions**

This section is not applicable to the Company.

#### **4.1(6) Bankruptcy and Receivership**

FCE, or any of its subsidiary from time to time, has not been the subject of any bankruptcy, receivership or similar proceedings within the three most recently completed financial years.

#### **4.1(7) Material Restructuring Transaction**

The plan of arrangement with WOGC, FCE and Odaat will be considered a Material Restructuring Transaction. .

#### **4.1(8) Social or Environmental Policies**

FCE intends to comply with all environmental laws and regulations applicable to its mineral operations and development activities.

#### **4.2 Asset-Backed Securities**

FCE will not have any asset-backed securities.

#### **4.4 ISSUERS WITH OIL & GAS PROJECT**

See Section 4.4 of Appendix “F”

### **5. SELECTED CONSOLIDATED FINANCIAL INFORMATION**

See Section 5 of Appendix “F”

#### **5.3 Dividends**

FCE does not intend to declare dividends until such time as its secured debt is paid.

#### **5.4 Foreign GAAP**

This section is not applicable.

### **6. MANAGEMENT DISCUSSION AND ANALYSIS**

See Section 6 of Appendix “F”

### **7. MARKET FOR SECURITIES**

There is no market for securities of FCE.

### **8. CONSOLIDATED CAPITALIZATION**

#### **Share Capital**

<b>Description</b>	<b>FCE Outstanding as at the date of this Listing Statement</b>
Common Shares	13,196,868
Warrants	0
Options	0
Convertible Debentures	0
Fully Diluted	13,196,868



Authorized:		
Unlimited Common voting shares with no par value		
Unlimited Preferred shares, issuable in series, with rights and privileges to be determined at time of issue		
Issued:		
Common shares	Number of shares	Value
Balance January 1, 2023	100	100
Plan of Arrangement	13,196,868	--
Shares returned to Treasury	(100)	-----
Restated Balance upon completion of the Plan of Arrangement	13,196,868	100
private placement	10,000,000	500,000
Pro forma	23,196,868	500,100

### Contributed Surplus

FCE's contributed surplus consists of value assigned to issued options and other contributions. An additional sum may be added effective January 1, 2023 when the oil and gas assets have been evaluated by GLJ Ltd for the period ended December 31, 2022. The transfer of assets was determined to be a business combination and has been accounted for using the acquisition method. The estimated acquisition date fair value of the property and equipment was derived from the estimate of proved and probable oil and gas reserves and the related cash flows prepared by an independent third party reserve evaluator. The estimated proved and probable reserves and the related cash flows were discounted at a rate base on what a market participant would have paid as well as market metrics in the prevailing area at the time.

### Warrants

There are no warrants.

## 9. STOCK OPTIONS

There are no options outstanding.

### 9.1 Stock Option Plan

FCE's Option Plan was approved by the Shareholders of FCE immediately prior to the close of the Plan of Arrangement. The FCE Option Plan has been established to provide an incentive to the directors, officers, employees, consultants and other personnel of FCE to achieve the longer-term objectives of the FCE, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of FCE and to attract to and retain in the employ of FCE, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in FCE.

The following is a summary of the material terms of the WODC Option Plan and is qualified in its entirety by the full text of the FCE Option Plan.

- The aggregate number of Common Shares to be reserved and authorized for issuance pursuant to options granted under the Option Plan shall not exceed ten percent (10%) of the total number of issued and outstanding shares in FCE.
- Under the FCE Option Plan, the aggregate number of optioned Common Shares granted to any one optionee in a 12 month period must not exceed 5% of the Corporation's issued and outstanding shares. The number of optioned Common Shares granted to any one consultant in a 12 month period must not exceed 2% of the Corporation's issued and outstanding shares. The aggregate number of optioned Common Shares granted to an optionee who is employed to provide investor relations' services must not exceed 2% of the Corporation's issued and outstanding Common Shares in any 12 month period.
- The exercise price for options granted under the Option Plan will not be less than the market price of the Corporation's Common Shares at the time of the grant, less applicable discounts permitted by the policies of the CSE.

- Options will be exercisable for a term of up to five years, subject to earlier termination in the event of the optionee's death or the cessation of the optionee's services to FCE.
- Options granted under the Option Plan are non-assignable, except by will or by the laws of descent and distribution.

## 9.2 Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out information with respect to compensation plans under which equity securities of FCE are authorized for issuance upon completion of the plan of arrangement and assuming issuance of 10,000,000 common shares under private placement.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	0	0	2,319,686
Equity compensation plans not approved by securityholders	0	0	
<b>Total</b>	0	0	<b>2,319,686</b>

## 10. DESCRIPTION OF THE SECURITIES

### 10.1 General

The authorized share capital of FCE consists of an unlimited number of common shares and an unlimited number of first preferred shares ("FCE Preferred Shares"). Upon completion of the plan of arrangement (and immediately before closing of the private placement), 13,196,868 common shares were issued and outstanding as fully paid and non-assessable shares. No FCE Preferred Shares were outstanding.

The holders of FCE Common Shares are entitled to receive notice of and to attend and vote at all annual and special meetings of shareholders and are entitled to one vote per FCE Common Share, either in person or by proxy. Subject to any prior rights of the holders of FCE Preferred Shares, the holders of FCE Common Shares are entitled to receive such dividends as the board of directors of the Company declare. In the event of the liquidation, dissolution or winding-up of FCE, whether voluntary or involuntary, the holders of the FCE Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of FCE, the remaining property and assets of FCE.

The Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the terms of the Preferred Shares, the board of directors of FCE may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of Preferred Shares. The Preferred Shares shall be entitled to priority over the Common Shares and all other shares ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets of FCE in the event of any liquidation, dissolution or winding up of FCE or other distribution of assets of FCE among its shareholders for the purpose of winding up its affairs. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of FCE in the event of any liquidation, dissolution or winding up of FCE or other distribution of assets of FCE among its shareholders for the purpose of winding up its affairs.

### 10.2 Debt Securities

There are no debt securities.

### 10.4 Other Securities

There are no other securities.

## 10.5 Modification of Terms

There are no modifications of terms.

## 10.6 Other Attributes

There are no other attributes.

## 10.7 Prior Sales

There have been no sales of securities of FCE since July 15, 2021 other than: (a) the sale of 100 common shares at \$1.00 per share on July 15, 2021 for aggregate consideration of \$100.

## 10.8 Trading Price and Volume

The common shares of FCE have never been listed for trading.

## 11. ESCROWED OR RESTRICTED SECURITIES

There are no escrowed securities or securities subject to contractual or statutory resale restrictions.

## 12. PRINCIPAL SHAREHOLDERS

Except as set forth below, to the knowledge of the directors and the executive officers, upon closing of the plan of arrangement, no person or company will beneficially own, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of FCE.

Name & Residence	Type of Ownership	Number of Shares	Percentage of Outstanding Shares
Gregory J. Leia Calgary, Alberta, Canada	Direct/Indirect <sup>(1)</sup>	7,634,100	57.88%

Note: (1) common shares are directly and held indirectly through RRSP accounts, El Indio Investment Corp., Gregory J. Leia Professional Corporation and Future Key Management Inc.

## 13. DIRECTORS AND EXECUTIVE OFFICERS

### 13.1 Name Occupation and Security Holdings

The following table sets out the names of the Company's directors and officers, municipalities of residence, the number and percentage of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction as at the date hereof, the principal occupations held over the past five years, the offices held with the Company and the committees of which they are members.

The following information concerning the directors has been furnished by each of them:

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled <sup>(1)</sup> and percentage of total issued and outstanding
GREGORY J. LEIA Calgary, Alberta Canada President and Chief Executive Officer and a Director (2)	Mr. Leia is a lawyer with the law firm Wolff Leia, Calgary, Alberta.	July 15, 2021	7,634,100 (57.88%)

<b>Name, Residence and Present Office Held</b>	<b>Principal Occupation or Employment</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned or Controlled<sup>(1)</sup> and percentage of total issued and outstanding</b>
GERALD ROE <sup>(2)</sup> Calgary, Alberta Canada Director	Mr. Roe is an oil and gas industry consultant.	Jan 1, 2023	40,000 (0.3%)
CRAIG LEGGATT <sup>(2)</sup> Calgary, Alberta Canada Director	Mr. Leggatt practices law with the law firm of Wolff Leia	Jan 1, 2023	Nil (0%)
TRACY ZIMMERMAN Calgary, Alberta Director, CFO	Mr. Zimmerman is an oil and gas consultant	Jan 1, 2023	684,300 (5%)

**Notes:**

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors. These figures do not include any securities that are convertible into or exercisable for Common Shares. These figures are based on the number of Common Shares issued and outstanding as of the date of this Listing Application.
- (2) Member of the Audit Committee.

### 13.2 Term of Office

Each director term shall end at the annual general meeting

### 13.3 Share ownership

The individual ownership is set out in section 13.1. The aggregate ownership of the officers and directors is 8,358,400 common shares representing 63.33 % of the issued and outstanding shares. Excludes shares which might be acquired in \$500,000 private placement.

### 13.4 Board Committee and Composition

FCE will have one committee, the Audit Committee, comprised of three members of the Board namely Gregory J. Leia, Craig Leggatt and or Gerald Roe. Craig Leggatt and Gerald Rowe are considered to be independent members of the Audit Committee within the meaning of NI 52-110.

All members are “financially literate” within the meaning of NI 52-110. The Company is a “venture issuer” as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI-52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

The Audit Committee assists the Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholder and reviews the Company’s system of internal controls regarding and accounting including auditing, accounting and financial reporting processes.

The Company’s Board has adopted an Audit Committee Charter setting forth the responsibilities, powers and operations of the Audit committee consistent with NI 52-110. The principal duties and responsibilities of the Audit Committee will be to assist the Board in discharging the oversight of:

- i. the integrity of the Company’s consolidated financial statements and accounting and financial processes and the audits of out consolidated financial statements;
- ii. the Company’s compliance with legal and regulatory requirements;
- iii. the Company’s external auditors’ qualifications and independence;

- iv. the work and performance of the Company's financial management and its external auditors; and
- v. the Company's system of disclosure controls and procedures and systems of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Issuer's Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personal and may request any information about the Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

### **13.5 Principal Occupations of the Directors**

This is set out in Section 13.1

### **13.6 Corporate Cease Trade Orders or Bankruptcies**

On May 6, 2019, the securities of WOGC were cease traded for failure to file the audited financial statements and management discussion and analysis for the fiscal year ended December 31, 2018. On May 15, 2019, WOGC filed the required documents. On May 17, 2019, the cease trade was revoked. Gregory J. Leia, Craig Leggatt and Gerald Roe were directors at the time.

Other than as set out below, no proposed director of FCE is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No proposed director of FCE is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Mr. Gerald Roe was a director of Queve Group Inc., which was ceased traded on October 1, 2002 for failure to file financial statements.

### **13.7 Penalties or Sanctions**

No proposed director of FCE has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority. No proposed director of FCE has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **13.9 Personal Bankruptcies**

No proposed director of FCE is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### **13.10 Conflicts of Interest**

The directors and officers of FCE may, from time to time, be involved with the business and operations of other oil and gas FCEs, in which case a conflict of interest may arise between their duties as officers and directors of FCE and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the ABCA.

### **13.11 Background – Directors and Executive Officers**

None of the officers or directors have signed non-competition or non-disclosure agreements with FCE.

Gregory J. Leia is 65. Mr. Leia received a Bachelor of Commerce and a Bachelor of Laws from the University of Saskatchewan. Mr. Leia has practiced law in the Province of Alberta for over 37 years primarily with the law firm Wolff Leia, Calgary, Alberta. Mr. Leia has over 14 years direct experience running oil and gas companies in Saskatchewan, Alberta and Texas as officer, director, controlling shareholder and legal counsel. Mr. Leia is President of 1454871 Alberta Ltd. (formerly Batoche Oil & Gas Exploration Ltd.), El Indio Investment Corp. and Smoky Oil & Gas Corp (private oil and gas exploration firms). From June 2007 to May 2010, Mr. Leia was the President of Batoche Energy Corp which amalgamated with Antler Creek Energy Corp whose common shares were listed on the TSXV. Antler Creek Energy Corp changed its name to Pinecrest Energy Inc. From May 11, 2011 to December 16, 2021, Mr. Leia was the director and CEO of Fox Creek Energy Corp (TSXV.TCP).

Mr. Roe is 78. Mr. Roe received a Bachelor of Science in Mechanical Engineering from Montana State University. Mr. Roe is a retired consultant and farmer. Mr. Roe has 46 years of experience in the upstream oil and gas industry. Mr. Roe was a director of WOGC from May 2011 to December 16, 2021. Mr. Roe is a director of Wilton Resources Ltd, a TSXV company from 2018 to present. Mr Roe was a Director and Chairman of the Board of GasFrac Energy Services Inc. an oil services company listed on the TSX until June 2014. Mr. Roe was the Chief Operating Officer (from January 2005 to November 2007) and the Vice-President, Operations (from May 2004 and January 2005) of Oilexco Incorporated, an oil and gas company that was listed on the TSX and the London Stock Exchange. Since October 2003, Mr. Roe has been a director of ExGen Resources Ltd. (formerly Boxxer Gold Corp.), a mining company listed on the TSXV. From May 2009 to 2013, Mr. Roe was VP Operations of Canadian Overseas Petroleum Limited, an oil and gas company listed on the TSXV.

Mr. Leggatt is 60. Mr. Leggatt received a Bachelor of Arts degree from the University of Waterloo and a Bachelor of Laws degree from Queen's University. Mr. Leggatt was a past member of the Law Society of Ontario since 1991 (inactive) and a member of the Law Society of Alberta since 1997. Mr. Leggatt practices law with Wolff Leia an energy and securities law boutique in Calgary. Mr. Leggatt has worked number of different capacities in the capital markets for over 15 years. His capital markets experience encompasses investigations and enforcement with the Alberta Securities Commission; senior compliance experience with full service investment dealers and an institutional boutique; and corporate finance experience in the venture capital markets wherein Mr. Leggatt was responsible for junior market deals valued in excess of \$100 million. Mr. Leggatt was a director of WOGC from 2014 to December 16, 2021

Mr. Zimmerman is 61. Mr. Zimmerman holds a Geological Engineering degree from the University of Saskatchewan. Mr. Zimmerman holds a Professional Geoscientist designation from APEGA. Mr. Zimmerman has 34 years of experience in the oil and gas industry primarily in western Canada. Mr. Zimmerman was principal in junior startup Cheveyo Energy Ltd. which was sold in 2014. Mr. Zimmerman was a director of WOGC from June 2019 to December 16, 2021.

## **14. CAPITALIZATION**

### **14.1 Issued Capital**

**See Section 14.1 of Appendix "F"**

## 14.2 Convertible/Exchangeable Securities

There are no securities convertible or exchangeable into Common Shares of the Issuer as at the date hereof:

## 14.3 Other Listed Securities

There are no other listed securities reserved for issuance that are not included in section 14.2.

## 15. EXECUTIVE COMPENSATION

See Section 15 in Appendix “F”

### Outstanding Share-Based Awards and Option-Based Awards

*Incentive Awards – Value Vested or Earned During the Year*

The following table summarizes the value of options held by Named Executive Officers of FCE that will vest upon completion of the plan of arrangement

Name and Principal Position	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
<i>Gregory J. Leia Director and CEO</i>	Nil	Nil	Nil
<i>Tracy Zimmerman Director and CFO</i>	Nil	Nil	Nil

### Pension Plan Benefits

FCE does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

### Termination and Change of Control Benefits

Pursuant to the terms of the FCE Stock Option Plan, in the event the optionholder resigns his employment, a consultant's contract terminates, or if an optionholder is terminated without cause, the optionholder may exercise such part of the option as is exercisable immediately prior to the time of such termination within a period which is the earlier of the normal expiry date of the option and 90 days following such resignation or termination and all unexercised options of the optionee will immediately terminate forthwith without further notice. If the optionee reaches the mandatory age of retirement or his services cease due to permanent disability, the optionholder may exercise such part of the option as is exercisable immediately prior to the time of retirement or cessation within a period which is the earlier of the normal expiry date of the option and 6 months following the date of retirement or cessation of services and all unexercised options of the optionee will immediately terminate forthwith without further notice. In the event of the death of the optionee, any options which the optionee could have exercised immediately prior to death are exercisable by the executors or personal representatives of the optionee within the earlier of the normal expiry date of the option and six months of the optionee's death and all unexercised options of the optionee will immediately terminate forthwith without further notice. All options which remain unvested will vest and become fully exercisable by the optionee for 30 days following the consummation of a change of control. Other than the aforementioned agreements, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change

of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities, where the Named Executive Officer is entitled to payment or other benefits.

### **Compensation of Directors**

The Corporation has no standard arrangement pursuant to which directors of FCE are compensated by the Corporation for their services in their capacity as directors, however, all Board members are reimbursed for expenses incurred as part of their role as directors. Further, the Board of Directors may provide consulting fees to the directors as the Board sees fit. Each director who is not otherwise a full time employee of FCE is eligible to receive stock options of FCE.

### **16. Indebtedness of Directors and Executive Officers**

None of the directors and officers of FCE, any proposed management nominee for election as a director of FCE or any associate of any director, officer or proposed management nominee is or has been indebted to FCE at any time during the last completed financial year.

### **17 Risk Factors**

*See Section 17 of Appendix "F"*

### **18 Promoters**

There are no individuals or companies that have, within the two most recently completed financial years or during the current financial year, acted as a promoter of FCE or its subsidiaries.

### **19. Legal Proceedings and Regulatory Actions**

#### **19.1 Legal Proceedings**

There are no material legal proceedings to which WOGC is a party or in respect of which any of the assets of WOGC or its subsidiaries (Odaat and Jadela US) are subject, which will be material to WOGC and WOGC is not aware of any proceedings that are contemplated except as set out hereinafter. Two potential lawsuits: (1) Odaat engaged a service provider to perform a coil tube workover. The contract called for a 31 mm coil tube. The service provider came with a 38 mm coil tube. The coil tube was too big. Two days were spent with the 38 mm coil tube. Two days later the service provider brought a 31 mm coil tube and completed the job. Two days were spent with the 31 mm coil tube. The service provider billed Odaat for 4 days. Odaat is only prepared to pay for the 2 days with the 31 mm coil tube; (2) TAPC may claim a \$34,000 GST refund. Odaat/WOGC dispute the claim.

#### **19.2 Regulatory Actions**

There have been no: (a) penalties or sanctions imposed against FCE by a court relating to securities legislation or by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against FCE (or its subsidiaries Odaat or Jadela US); and (c) settlement agreements FCE (or its subsidiaries Odaat or Jadela US) entered into with a court relating to securities legislation or with a securities regulatory authority.

### **20. Interest of Related Persons in Material Transactions**

Except as disclosed in this Listing Application, none of the informed persons of the Corporation (as defined in National Instrument 51-102), nor any proposed nominee for election as a director of the Corporation, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to the issued shares of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which, in either case, has or will materially affect the Corporation and none of such persons has any material interest in any transaction proposed to be undertaken by the Corporation that will materially affect the Corporation.



Mr. Leia is an officer, director and shareholder of El Indio Investments Corp., El Indio Investment Corp. entered into a series of transactions with FCE with respect to Maverick County, Texas assets of FCE in 2011. El Indio Investment Corp owns a 7.5% working interest in the El Indio #1H wellbore and surface equipment and has a 7.5% obligation for abandonment and remediation. Mr. Leia, indirectly through, Future Key Management Inc., owns 65% of Smoky which has lent money to FCE pursuant to a loan and participation agreement dated July 31, 2017. Mr. Leia is 100% owner of 1454871 which had entered into a farmout agreement with the Corporation as of July 31, 2017.

FCE entered into a LPA with Smoky and 1454871 on July 31, 2017. Pursuant to the terms of the LPA, Smoky lent FCE the sum of \$1,326,593 to make the Waskahigan Asset acquisition. All obligations owing are secured by a general security agreement charging all of the assets of FCE. The interest rate on the loan principal is 6% per annum

## **21. Auditors, Transfer Agents and Registrars**

### **21.1 Auditors**

The auditors will be Crowe MacKay LLP, Chartered Professional Accountants. Crowe MacKay LLP report they are independent of FCE within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

### **21.2 Transfer Agent and Registrar**

Computershare, at its principal office in Calgary, Alberta will be the registrar and transfer agent for the FCE Shares.

### **21.3 Agent, Sponsor or Advisor**

There is currently no Agent, Sponsor or Advisor retained by FCE in connection with this Application.

## **22. Material Contracts**

See Section 22 of Appendix "F"

**APPENDIX "I"**

**WASKAHIGAN OIL & GAS CORP.**

**2023 STOCK OPTION PLAN**

**ARTICLE 1 - PURPOSE OF THE PLAN**

**1.01**            **Purpose**

The purpose of the Waskahigan Oil & Gas Corp. (the "Corporation") Stock Option Plan is to assist and encourage directors, officers, employees and Consultants of the Corporation and its Subsidiaries to work towards and participate in the growth and development of the Corporation and its Subsidiaries by providing such persons with the opportunity, through stock options, to acquire an ownership interest in the Corporation.

**ARTICLE 2 - INTERPRETATION**

**2.01**            **Definitions**

In this Plan:

"**Board**" means the board of directors of the Corporation.

"**Cause**" for the purpose of this Plan includes:

- (i) the continued failure by the Optionholder to substantially perform his or her duties in connection with his or her employment by, or service to, the Corporation (other than as a result of physical or mental illness) after the Corporation has given the Optionholder reasonable written notice of such failure and a reasonable opportunity to correct it;
- (ii) the engaging by the Optionholder in any act which is injurious to the Corporation or its reputation financially or otherwise;
- (iii) the engaging by the Optionholder in any act resulting or intended to result, directly or indirectly, in personal gain to the Optionholder at the expense of the Corporation;
- (iv) the conviction of the Optionholder by a court of competent jurisdiction on any charge involving fraud, theft or moral turpitude by the Optionholder in connection with the business of the Corporation; or
- (v) any other conduct that constitutes cause at common law.

**"Change of Control"** includes:

- (i) the acquisition by any persons acting jointly or in concert (as determined by the *Securities Act* (Alberta)), whether directly or indirectly, of voting securities of the Corporation which, together with all other voting securities of the Corporation held by such persons, constitute in the aggregate more than 20% of all outstanding voting securities of the Corporation;
- (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 20% of all outstanding voting securities of the corporation resulting from the business combination; or
- (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person or corporation, other than in the ordinary course of business of the Corporation, or to a Subsidiary.

**"Common Shares"** means common shares of the Corporation.

**"Consultant"** means a person other than a director or employee of the Corporation, engaged to provide on an ongoing *bona fide* basis, management, technical or consulting services for the Corporation or any Subsidiary.

**"Corporation"** means Waskahigan Oil & Gas Corp. and any successor corporation thereto.

**"Date of Termination"** means the actual date of termination of: (i) the office of the Optionholder; (ii) the employment of the Optionholder; or (iii) the provision of services by an Optionholder, as applicable, and does not include any period during which the Optionholder is in receipt of or is eligible to receive any statutory, contractual or common law notice or compensation in lieu thereof or severance payments following the actual date of termination or resignation.

**"Discounted Market Price"** has the meaning ascribed in any applicable exchange policy.

**"Eligible Person"** means any *bona fide* director, officer, employee or Consultant of the Corporation or any Subsidiary.

**"Exchange"** means any exchange that the other Common Shares of the Corporation trade on at the applicable time.

**"Exercise Price"** means the price per Common Share at which Common Shares may be subscribed for by an Optionholder pursuant to a particular Option Agreement.

**"Expiry Date"** means the date on which an Option expires pursuant to the Option Agreement relating to that Option.

**"Grant Date"** means the date on which an Option is granted, which date may be on or, if determined by the Board at the time of grant, after the date that the Board resolves to grant the Option.

**"Investor Relations Activities"** has the meaning ascribed in any applicable exchange policy *mutatis mutandis*.

**"Notice of Exercise"** means a notice, substantially in the form of the notice set out in Schedule B, from an Optionholder to the Corporation giving notice of the exercise or partial exercise of an Option previously granted to the Optionholder.

**"Option"** means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan.

**"Option Agreement"** means an agreement, substantially in the form of the agreement set out in Schedule A to this Plan, between the Corporation and an Eligible Person setting out the terms of an Option granted to the Eligible Person.

"**Optioned Shares**" means the Common Shares that may be subscribed for by an Optionholder pursuant to an Option Agreement.

"**Optionholder**" means an Eligible Person to whom an Option has been granted.

"**Plan**" means the Waskahigan Oil & Gas Corp. Stock Option Plan, as amended from time to time.

"**Share Compensation Arrangement**" means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

"**Subsidiary**" has the meaning attributed thereto in the *Securities Act* (Alberta).

## **2.02            Extended Meanings**

In this Plan, words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and unlimited partnerships, associations, trusts, incorporated organizations, joint ventures and governmental authorities.

## **ARTICLE 3 - GRANT OF OPTIONS**

### **3.01            Authority of Board**

Subject to the limitations of the Plan, the Board has the authority:

- (a) to determine which Eligible Persons are to be granted Options and to grant Options to those Eligible Persons;
  - (b) to determine the terms of such Options; and
- to prescribe the form of Option Agreement and Notice of Exercise with respect to a particular Option, if other than substantially as set forth in Schedules A and B to this Plan.

### **3.02            Shares Reserved**

- (1) The maximum number of Common Shares that may be reserved for issuance pursuant to Options granted under the Plan within a one-year period is ten percent (10%) of the issued and outstanding Common Shares of the Corporation from time to time.
- (2) The maximum number of Common Shares that may be reserved for issuance to any one Eligible Person within a one-year period pursuant to Options granted under the Plan is five percent (5%) of the number of Common Shares outstanding at the time of reservation, subject to Subsections 3.02(3) and 3.03(4).
- (3) The maximum number of Common Shares that may be reserved for issuance to any one Consultant within a one-year period may not exceed two percent (2%) of the common shares outstanding at the time of Reservation.
- (4) The maximum number of Common Shares that may be reserved for issuance to anyone engaged in Investor Relations Activities within a one-year period may not exceed two percent (2%) of the common shares outstanding at the time of Reservation.

Any Common Shares subject to an Option that expires or terminates without having been fully exercised may be made the subject of a further Option. No fractional Common Shares may be issued under the Plan.

**3.03**            **Eligibility**

Options may be granted by the Board to any Eligible Person, subject to the limitations set forth in Sections 3.02, prior to his or her Date of Termination.

**ARTICLE 4 - TERMS OF OPTIONS**

**4.01**            **Option Agreement**

As soon as practicable following the grant of an Option, the Corporation will deliver to the Optionholder an Option Agreement dated the Grant Date, containing the terms of the Option and executed by the Corporation, and upon delivery to the Corporation of the Option Agreement executed by the Optionholder such Optionholder will be a participant in the Plan and have the right to purchase the Optioned Shares on the terms set out in the Option Agreement and the Plan.

**4.02**            **Exercise Price**

The Exercise Price of the Common Shares subject to an Option will be determined by the Board at the time of grant and shall in no event be less than the greater of: (i) the closing market price of the Common Shares of the Corporation on the Exchange on the trading day immediately prior to the grant of the option (or, if no trades occurred on such day, then on the next previous day on which trading took place) less the maximum discount permitted under the regulations of the Exchange (the "Discounted Market Price") ; or (ii) \$0.05 or such other Discounted Market Price minimum approved by the Exchange and as may be agreed to by the Corporation.

**4.03**            **Time of Exercise**

- (1) The Board may determine at the time of grant that a particular Option will be exercisable in whole or in part on different dates and to determine after the Grant Date that a particular Option will be exercisable in whole or in part on earlier dates for any reason, including the occurrence of a proposal by the Corporation or any other person to implement a transaction that would, if implemented, result in a Change of Control.
- (2) Notwithstanding anything herein to the contrary, if there occurs a Change of Control at any time when an Option granted under the Plan remains unvested with respect to any Optioned Shares, such unvested portion will vest and become fully exercisable, as to all the Optioned Shares in respect of which such Option was not previously exercisable, by the Optionee at any time up to and including a date 30 days following the consummation of such Change of Control.
- (3) Notwithstanding the provisions of Sections 4.03(1) and (2), no unvested portion of an Option will vest as a result of a Change in Control that occurs after the Date of Termination of an Optionholder.

**4.04**            **Expiry Date**

- (1) The Expiry Date of an Option will be five years after the Grant Date, subject to:
  - (a) the right of the Board to determine at the time of grant that a particular Option will have a shorter or longer term, in accordance with applicable Exchange requirements and securities laws and not to exceed 10 years from the Grant Date; and
  - (b) the provisions of Section 4.05 relating to early expiry.

#### 4.05

#### Early Expiry

- (1) An Option will expire before its Expiry Date in the following events and manner:
- (a) if an Optionholder dies, only the portion of the Option that is exercisable at the date of death of the Optionholder may be exercised by the personal representatives of the Optionholder during the period ending six (6) months after the death of the Optionholder, after which period all Options terminate;
  - (b) if an Optionholder resigns his or her office or employment (other than as provided for in Section 4.05(e)), or an Optionholder's contract as a Consultant terminates at its normal termination date, only the portion of the Option that is exercisable at the date of resignation or termination may be exercised by the Optionholder during the period ending ninety (90) days after the date of resignation or termination, after which period all Options terminate;
  - (c) if an Optionholder is terminated without Cause, including a constructive dismissal, or an Optionholder's contract as a Consultant is terminated by the Corporation before its normal termination date without Cause, only the portion of the Option that is exercisable at the Date of Termination may be exercised by the Optionholder during the period ending ninety (90) days after the Date of Termination, after which period all Options terminate, subject to Subsection 4.05(1)(d);
  - (d) if an Optionholder who is engaged in Investor Relations Activities on behalf of the Corporation is terminated without Cause, including a constructive dismissal, or the contract with such Optionholder is terminated by the Corporation before its normal termination date without Cause, only the portion of the Option that is exercisable at the Date of Termination may be exercised by the Optionholder during the period ending ninety (90) days after the Date of Termination, after which period all Options terminate.
  - (e) if an Optionholder attains the mandatory retirement age established by the Corporation from time to time or an Optionholder's employment or service ceases due to permanent disability, only the portion of the Option that is exercisable at the date of retirement or cessation may be exercised by the Optionholder during the period ending six (6) months after the date of retirement or cessation, after which period all Options terminate; and
  - (f) an Option will expire immediately upon the Optionholder ceasing to be an Eligible Person as a result of being dismissed from his or her office or employment for Cause or an Optionholder's contract as a Consultant being terminated before its normal termination date for Cause, including where an Eligible Person resigns his or her office or employment or terminates his or her contract as a Consultant after being requested to do so by the Corporation as an alternative to being dismissed or terminated by the Corporation for Cause

subject in all cases to the earlier expiration of an Option on its applicable Expiry Date.

#### 4.06

#### Non-Assignable

Except as provided in Section 4.05(a), an Option may be exercised only by the Optionholder and is not assignable in law or in equity, and any purported assignment is void and of no force and effect whatsoever.

**4.07 No Rights as Shareholder or to Remain an Eligible Person**

- (1) An Optionholder will only have rights as a shareholder of the Corporation with respect to Optioned Shares that the Optionholder acquires through the exercise of an Option in accordance with its terms.
- (2) Nothing in this Plan or in any Option Agreement will confer on any Optionholder any right to remain as a director, officer, employee or Consultant of the Corporation or any Subsidiary.

**4.08 Adjustments to Common Shares**

- (1) The number of Common Shares delivered to an Optionholder upon exercise of an Option will be adjusted as determined by the Board in the following events and manner, subject to the right of the Board to make such additional or other adjustments as are appropriate in the circumstances:
  - (a) upon a subdivision of the Common Shares into a greater number of Common Shares, a consolidation of the Common Shares into a lesser number of Common Shares or the issue of a stock dividend to holders of the Common Shares (other than dividends in the ordinary course), the Corporation will deliver upon the exercise of an Option, in addition to or in lieu of the number of Optioned Shares in respect of which the right to purchase is being exercised and without the Optionholder making any additional payment, such greater or lesser number of Common Shares as results from the subdivision, consolidation or stock dividend;
  - (b) upon the distribution by the Corporation to holders of the Common Shares of shares of any class (whether of the Corporation or another corporation, but other than Common Shares), rights, options or warrants, evidences of indebtedness or cash (other than dividends in the ordinary course), other securities or other assets, the Corporation will deliver upon exercise of an Option, in addition to the number of Optioned Shares in respect of which the right to purchase is being exercised and without the Optionholder making any additional payment, such other securities, evidence of indebtedness or assets as result from such distribution; and
  - (c) upon a capital reorganization, reclassification or change of the Common Shares, a consolidation, amalgamation, arrangement or other form of business combination of the Corporation with another corporation or a sale, lease or exchange of all or substantially all of the assets of the Corporation, the Corporation will deliver upon exercise of an Option, in lieu of the Optioned Shares in respect of which the right to purchase is being exercised, the kind and amount of shares or other securities or assets as result from such event.

The purpose of such adjustments is to ensure that any Optionholder exercising an Option after any such event will be in the same position as such Optionholder would have been in if he or she had exercised the Option prior to such event.

- (2) An adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this Section are cumulative.
- (3) The Corporation will not be required to issue fractional Common Shares or other securities under the Plan and any fractional interest in a Common Share or other security that would otherwise be delivered upon the exercise of an Option will be cancelled.

## **ARTICLE 5 - EXERCISE OF OPTIONS**

### **5.01 Manner of Exercise**

An Optionholder (or the personal representatives of a deceased Optionholder) who wishes to exercise an Option may do so by delivering the following to the Corporation on or before the Expiry Date of the Option:

- (a) a completed Notice of Exercise; and
- (b) subject to the provisions of Section 5.03, a certified cheque, cash or bank draft payable to the Corporation for the aggregate Exercise Price for the Optioned Shares being acquired.

If the Optionholder is deceased, the personal representatives of the Optionholder must also deliver to the Corporation evidence of their status.

### **5.02 Delivery of Share Certificate**

Not later than five business days after receipt of the Notice of Exercise and payment in full for the Optioned Shares being acquired, the Corporation will direct its transfer agent to issue a certificate in the name of the Optionholder (or, if deceased, the Optionholder's estate) for the number of Optioned Shares purchased by the Optionholder (or the Optionholder's estate), which will be issued as fully paid and non-assessable Common Shares.

### **5.03 Withholding**

The Corporation will withhold taxes to the extent required by applicable law in respect of any amounts under this Plan.

## **ARTICLE 6 - ADMINISTRATION**

### **6.01 Administration**

- (1) The Plan will be administered by the Board or, if determined by the Board, by a compensation committee of the Board consisting of not less than three directors. If a compensation committee is appointed to administer the Plan, all references in this Plan to the Board will be deemed to be references to the compensation committee.
- (2) The Board may interpret the Plan and determine all questions arising out of the Plan and any Option granted pursuant to the Plan, which interpretations and determinations will be conclusive and binding on the Corporation and all other affected persons.



**6.02**                    **Amendment of Plan and Options**

- (1)     The Board may amend, suspend or terminate the Plan at any time, provided that no such amendment, suspension or termination may:
  - (a)     be made without obtaining any required Exchange, regulatory or shareholder approvals; or
  - (b)     prejudice the rights of any Optionholder under any Option previously granted to the Optionholder without the consent or deemed consent of the Optionholder.
  
- (2)     The Board may amend the terms of any outstanding Option (including, without limitation, the cancellation of an Option or an amendment to the date or dates on which an Option or a portion thereof vests and so becomes exercisable), provided that:
  - (a)     any required regulatory, Exchange and shareholder approvals are obtained;
  - (b)     the Board would have had the authority to initially grant the Option under terms as so amended; and
  - (c)     the consent or deemed consent of the Optionholder is obtained if the amendment would prejudice the rights of the Optionholder under the Option.

**6.03**                    **Compliance with Laws and Exchange Rules**

The Plan, the grant and exercise of Options under the Plan and the Corporation's obligation to issue Common Shares on exercise of Options will be subject to all applicable federal, provincial and foreign laws, rules and regulations and the rules of any stock exchange on which the Common Shares are listed for trading. No Option will be granted and no Common Shares will be issued under the Plan where such grant or issue would require registration of the Plan or of such Common Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue of Common Shares in violation of this provision will be void. Common Shares issued to Optionholders pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

**6.04**                    **Decreasing Exercise Price for Insider Options**

Disinterested shareholder approval is required when decreasing the exercise price of Insider Options

## APPENDIX "J"

### CORPORATE GOVERNANCE POLICY

#### CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

- 1. Board of Directors** — Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including

- (i) the identity of directors that are independent

*Gerald Roe and Craig Leggatt*

- (ii) the identity of directors who are not independent, and the basis for that determination.

*Gregory J. Leia and Tracy Zimmerman*

*In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director's exercise of independent judgement.*

*Gregory J. Leia is an executive officer of the Corporation and is therefore not considered to be independent. Tracy Zimmerman is the interim CFO and is not considered independent.*

- 2. Directorships** — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

*None of the directors of the Corporation are directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction except for the following:*

*Gerald Roe was a director of GasFrac Energy Services Inc. from May 10, 2006 to June 2014 and a director of Boxxer Gold Corp since October 2003. [add Wilton]*

- 3. Orientation and Continuing Education** — Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

*The Corporation has not developed an official orientation or training program for new directors as required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.*

- 4. Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

*The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.*

**5. Nomination of Directors** — Disclose what steps, if any, are taken to identify new candidates for board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

*The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position on the Board, the Board requests that current Directors forward potential candidates for consideration.*

**6. Compensation** — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation, and

*Management of the Corporation is responsible for making recommendations to the Board with respect to compensation for the directors and the CEO. The Board has the ability to adjust and approve such compensation.*

- (ii) the process of determining compensation.

*Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation.*

**7. Other Board Committees** — If the board has standing committees other than the audit and compensation identify the committees and describe their function.

*There are no other standing committees.*

**8. Assessments** — Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

*The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision making processes and the quality of information provided by management.*

## APPENDIX "K"

### WASKAHIGAN OIL & GAS CORP.

#### AUDIT COMMITTEE CHARTER

1. **Establishment of Audit Committee:** The directors of the Corporation (the "**Directors**") hereby establish an audit committee (the "**Audit Committee**").
2. **Membership:** The membership of the Audit Committee shall be as follows:
  - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
  - (b) The majority of the members of the Audit Committee shall be independent Directors.
  - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof "financially literate" has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation's financial statements.
  - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall *ipso facto* cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. **Oversight Responsibility:** The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. **Mandate:** The Audit Committee shall have responsibility for overseeing:
  - (a) the accounting and financial reporting processes of the Corporation; and
  - (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation's financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:
  - (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
  - (ii) the compensation of the external auditors.
- (d) discussing with the external auditor:
  - (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
  - (ii) significant changes in the Corporation's accounting principles, practices or policies; and

- (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (c) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
  - (i) the financial statements;
  - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
  - (iii) significant changes, if any, to the initial audit plan;
  - (iv) accounting and reporting decisions relating to significant current year events and transactions;
  - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
  - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
  - (i) the interim financial statements;
  - (ii) the interim MD&A; and
  - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies.
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between ) the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor.
- (h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit committee.
- (i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above.
- (j) establishing and reviewing of procedures for:
  - (i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters;
  - (ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and
  - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities.
- (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures.
- (l) reviewing and/or considering that, with regard to the previous fiscal year,
  - management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;
  - the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;

- the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
- in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.

5. **Administrative Matters:** The following general provisions shall have application to the Audit Committee:

- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.
- (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.
- (c) The Audit Committee may invite such Directors, directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The external auditors are to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the external auditors and shall be given in respect of meetings relating to the annual audited financial statements. The external auditors have the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the external auditors, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditors believes should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, directors, officers, employees and external auditors of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (l) The Audit Committee shall have the authority to:
  - (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
  - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

**ENTERED**



COURT FILE NUMBER

2301 - 02480

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

IN THE MATTER OF SECTIONS 193 OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, C. B-9, AS AMENDED; **\$250.00 COM Feb 24 2023**  
AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING WASKAHIGAN OIL & GAS CORP, FOX CREEK ENERGY LTD., ODAAT OIL CORP AND THE SECURITYHOLDERS OF WASKAHIGAN OIL & GAS CORP

DOCUMENT

**ORIGINATING APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

WOLFF LEIA  
203, 221 – 10<sup>th</sup> Avenue SE  
Calgary, Alberta T2G 0V9  
Phone: 403-265-4122  
Fax: 403-265-4138  
Attention: Gregory J. Leia  
File Ref:

To: Waskahigan Oil & Gas Corp, Fox Creek Energy Ltd. and Odaat Oil Corp

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court. To do so, you must be in Court when the application is heard as shown below:

Date: Friday, February 24, 2023  
Time: 10:30 a.m. – by Webex – Virtual Courtroom 60  
Where: Calgary Courts Centre  
601 - 5 Street SW, Calgary, AB, T2P 5P7  
Before: Justice Corina Dario Commercial Court Chambers

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## Basis for the Claim set forth in this Originating Application

1. This originating application (the "**Application**") is filed on behalf of Waskahigan Oil & Gas Corp. ("**WOGC**") with respect to a proposed arrangement (the "**Plan of Arrangement**") pursuant to Section 193 of the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended (the "**ABCA**"), and pursuant to the terms of an arrangement agreement dated January 1, 2023 (the "**Plan of Arrangement Agreement**") involving WOGC, Fox Creek Energy Ltd. ("**FCE**") and Odaat Oil Corp ("**Odaat**") and the holders of common shares of WOGC (the "**WOGC Shareholders**" or "**WOGC Securityholders**"). (WOGC, FCE, Odaat and the WOGC Securityholders collectively referred to as the "**Arrangement Parties**"), which Plan of Arrangement is attached to an affidavit of Tracy Zimmerman to be filed prior to the court application.
2. WOGC is a corporation organized and existing under the laws of the Province of Alberta, with its head office located in Calgary, Alberta. The sole asset of WOGC is the shares of FCE.
3. FCE is a corporation organized and existing under the laws of the Province of Alberta, with its registered office located in Calgary, Alberta. FCE is a wholly owned subsidiary of WOGC. The sole asset of FCE is the shares of Odaat.
4. Odaat is a corporation organized and existing under the laws of the Province of Alberta, with its head office located in Calgary, Alberta. Odaat is a wholly owned subsidiary of FCE.
5. Odaat is a junior oil and gas producer with its prime assets located near Fox Creek, Alberta. Odaat has had 5 wells shut in since May 2020 because a gas processing plant owned by Paramount Resources Ltd (75%) ("**Paramount**") and Spartan Delta Corp (25%) ("**Spartan**") ceased operating because the plant owners did not wish to incur the costs to maintain the plant.
6. Odaat needs approximately \$350,000 - \$500,000 in order to pay for: (a) its proportionate share of the tie-in pipeline from Odaat's Deep Valley wells to the Canadian Natural Resources Limited ("**CNRL**") pipeline to enable Odaat to market natural gas from 5 Deep Valley wells; (b) the pipeline integrity costs to reactivate Odaat pipelines; and (c) the change of equipment at each well to meet legislative changes to emission standards; and (d) the change of equipment required by CNRL to produce into the Waskahigan CNRL plant.
7. WOGC may not be able to raise the \$350,000-\$500,000 by equity or debt.
8. WOGC has been approached by a party which wishes to acquire control of WOGC and vendin a new non oil and gas asset to WOGC by way of reverse takeover. A condition to completing the reverse takeover is the spinout of the oil and gas assets by way of a plan of arrangement with FCE.



9. By completing the plan of arrangement, the controlling shareholders of WOGC may be able to sell their shares of WOGC and re-invest some of the net sale proceeds into FEC by way of private placement or debt convertible into common shares. Non-controlling shareholders will: (a) maintain their existing WOGC in the reverse takeover target; and (b) be issued FEC common shares as part of the arrangement.
10. Non-controlling shareholders of WOGC should not be in any worse position than they were in prior to the implementation of the plan of arrangement and in fact should be in a better position.
11. Completing the plan of arrangement will allow the spinout of the oil and gas assets out without any collateral benefits to the controlling shareholders.
12. It is impracticable to effect a fundamental change of the nature contemplated by the Plan of Arrangement under any provisions of the ABCA other than Section 193 thereof.
13. The Plan of Arrangement is fair to the persons affected by the Plan of Arrangement, including the WOGC Securityholders.
14. The Order of this Honourable Court approving the Plan of Arrangement, if granted, will constitute a basis for the exemption from the registration requirements of the United States Securities Act of 1933, as amended, provided by Section 3(a)(10) thereof, with respect to the issuance of the common shares of FCE
15. A Special and Annual Meeting has been called for April 4, 2023 for the holder of WOGC Securityholders ("**Plan of Arrangement Meeting**").

### **Remedy Sought**

16. In advance of the hearing of the Application, WOGC intends to seek an Interim Order (in the form attached and marked as Schedule "A") and directions for, among other things:
  - (a) a declaration that registered WOGC Shareholders shall have the right to dissent in respect of the Plan of Arrangement in accordance with the provisions of Section 191 of the ABCA, as modified by the Interim Order;
  - (b) the manner of conducting the vote at the meetings;
  - (c) the return of this Application; and
  - (d) such other matters as may be required for the proper consideration of the Plan of Arrangement.
  
17. At the hearing of the Application, WOGC intends to seek:
  - (a) a Final Order (in the form attached and marked as Schedule "B") approving the Plan of Arrangement pursuant to the provisions of Section 193 of the ABCA;
  - (b) a declaration that the terms and conditions of the Plan of Arrangement, and the procedures relating thereto, are fair, substantively and procedurally, to the persons affected by the Plan of Arrangement, including the WOGC Securityholders;
  - (c) a declaration that the Plan of Arrangement will, upon the filing of the Articles of Arrangement pursuant to the provisions of section 193 of the ABCA, become effective in accordance with its terms and will be binding on and after the Effective Date, as defined in the Plan of Arrangement Agreement; and
  - (d) such other and further orders, declarations and directions as the Court may deem just.

### **Materials Relied Upon**

18. The materials upon which WOGC intends to rely include the Affidavit of Tracy Zimmerman, to be filed, and such further and other materials as counsel may advise and this Honourable Court permit.

### **Rules and Statutes Relied Upon**

19. This Application is made in reliance on Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended.