

WHITEBARK ENERGY LIMITED
ACN 079 432 796

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of 1 (one) Share for every 2 (two) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.002 per Share together with 1 (one) free attaching Option for every 2 (two) Shares applied for and issued to raise up to \$4,373,125.55 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

Adelaide Equity Partners Limited (**AEP**) has been engaged to provide corporate advisory and investor relations services with respect to the Offer.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 10 March 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

Reinstatement Prospectus

This Prospectus is a reinstatement prospectus for the purposes of satisfying the ASX requirements for re-quotation to the Official List following the suspension of the Company's Shares from trading on 14 January 2021.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. As a result, the new Shares may not be offered or sold outside Australia, except for New Zealand to the extent provided below.

The new Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in

reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Information for New Zealand Residents

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or

resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;

- (b) it is not in the United States;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- (d) it will not offer or resell the Shares in the United States or in any other jurisdiction outside Australia.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company AEP will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.whitebarkenergy.com).

By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at <https://www.whitebarkenergy.com/>. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on 08 8232 8800 during office hours or by emailing the Company at info@whitebarkenergy.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it

was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and AEP will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.whitebarkenergy.com). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment,

payment of dividends or the future value of the Shares. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and

believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Competent Persons statement

The information in the Investment Overview Section of the Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geotechnical Report, included at Annexure A of the Prospectus, which relate to exploration targets, exploration results, mineral resources or ore reserves is based on information compiled by Dr Simon Brealey. Dr Brealey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**). Dr Brealey is the Company's Interim Chief Executive Officer. Dr Brealey consents to the inclusion of the information in these Sections of the Prospectus in the form and context in which it appears.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be

managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the

Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Central Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 8 8232 8800.

CORPORATE DIRECTORY

Directors

Duncan Gordon
Chairman

Matthew White
Director

Giustino Guglielmo
Director

Company Secretary

Kaitlin Smith

Chief Executive Officer

Simon Brealey

Registered Office

20D William Street
NORWOOD SA 5067

Principle place of business

20D William Street
NORWOOD SA 5067

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Email: info@whitebarkenergy.com

Website: www.whitebarkenergy.com

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PERTH WA 6000

Investigating Accountant

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Limited
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SYDNEY NSW 2000

Auditor*

UHY Haines Norton
Level 11, 1 York Street
SYDNEY NSW 2000

Independent Geologist

Kevin D Angus
KDAngus Corp, Alberta, Canada

Corporate Advisor

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Ground Floor
70 Hindmarsh Square
ADELAIDE SA 5000

Telephone: + 61 08 8232 8800

Share Registry*

Computershare Investor Services Pty Limited
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

Telephone: 1300 850 505
Facsimile: +(61) 8 8236 2305

Canadian legal advisers

Jamieson Laurin + Co
23 White Avenue
BRAGG CREEK AB T0L 0K0

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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1. CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of Whitebark Energy Limited (**Company**), it gives me great pleasure to invite you to participate in the Offer.

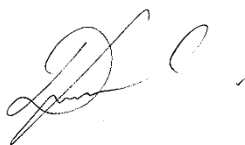
This Prospectus is seeking to raise a minimum of \$2.5 million and a maximum of approximately \$4.4 million via the issue of Shares at an issue price of \$0.002 per Share under the Offer together with 1 (one) free attaching Option for every 2 (two) Shares applied for under the Offer. The purpose of the Offer is to provide funds to implement the Company's business strategies (explained in Section 5).

The Board have significant expertise and experience in the Oil and Gas industry and will aim to ensure that funds raised through the Offer will be utilised in a cost-effective manner to advance the Company's business.

This Prospectus is issued for the purpose of supporting the Company's reinstatement to quotation on ASX. This Prospectus contains detailed information about the Company, its business and the Offer, as well as the risks of investing in the Company, and I encourage you to read it carefully. The Shares offered by this Prospectus should be considered highly speculative.

I look forward to sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely



Duncan Gordon
Chair

2. KEY OFFER AND REINSTATEMENT INFORMATION

INDICATIVE TIMETABLE¹

Announcement of Offer & Appendix 3B	Thursday, 10 March 2022
Lodgement of Prospectus with the ASIC & ASX	Thursday, 10 March 2022
Ex-date	Tuesday, 15 March 2022
Record Date for determining Entitlements	Wednesday, 16 March 2022
Prospectus (or notification) despatched to Shareholders & Company announces despatch has been completed	Monday, 21 March 2022
Last day to extend Closing Date	Wednesday, 6 April 2022
Closing Date¹	Monday, 11 April 2022
Shares quoted on a deferred settlement basis from market open²	Tuesday, 12 April 2022
Announcement of results of issue	Thursday, 14 April 2022
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the securities (before noon Sydney time)²	Wednesday, 20 April 2022
Expected date of Reinstatement and quotation of the Shares	Tuesday, 26 April 2022

Notes:

1. The Directors may extend the Closing Date by giving at least three (3) Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.
2. The Company's Shares are currently suspended from official quotation. The Company is in discussions with ASX with respect to the reinstatement of its Shares to Official Quotation. The Shares issued pursuant to the Offer are expected to be quoted on a deferred settlement basis from market open on 12 April 2022 but will not trade and will cease quotation at market close on 20 April 2022.

KEY STATISTICS OF THE OFFER

	Minimum Subscription (\$2.5m)¹	Maximum Subscription (\$4.4m)²
Offer Price per Share	\$0.002	\$0.002
Shares currently on issue	4,373,125,551	4,373,125,551
Options currently on issue ^{3,4}	177,800,000	177,800,000
Shares to be issued under the Offer	1,250,000,000	2,186,562,776
Options to be issued under the Offer ⁴	625,000,000	1,093,281,388
Gross Proceeds of the Offer	\$2,500,000	\$4,373,125.55

	Minimum Subscription (\$2.5m) ¹	Maximum Subscription (\$4.4m) ²
Shares on issue Post-Listing (undiluted)	5,623,125,551	6,559,688,327
Market Capitalisation Post- Listing (undiluted)⁴	\$11,246,251.10	\$13,119,376.65
Options to be issued to Directors and CEO ⁶	70,000,000	70,000,000
Shares on issue Post-Listing (fully diluted)	6,495,925,551	7,900,769,715
Market Capitalisation Post- Listing (fully diluted)⁴	\$12,991,851	\$15,801,539

Notes:

1. Assuming the Minimum Subscription of \$2.5m is achieved under the Offer.
2. Assuming the Maximum Subscription of \$4,373,125.55 is achieved under the Offer.
3. Excludes the Options that are to be issued to the Directors and the CEO pursuant to the Shareholder approval that the Company obtained at its Annual General Meeting that was held on 25 February 2022.
4. Refer to Section 10.3 for the terms of the Options.
5. Assuming a Share price of \$0.002, however the Company notes that the Shares may trade above or below this price.
6. The Company obtained Shareholder approval to issue these Options at its Annual General Meeting that was held on 25 February 2022. The terms of these Options are set out in Section 10.3.

REINSTATEMENT CONDITIONS

The Company must satisfy all outstanding Reinstatement Conditions prior to reinstatement of the Company's Shares to trading on the Official List (**Reinstatement**), which include amongst other things, demonstrating compliance with Listing Rules 12.1 and 12.2, to the satisfaction of the ASX.

Further details of the Reinstatement Conditions are set out in Schedule 1 of this Prospectus.

3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Company		
Who is the issuer of this Prospectus?	Whitebark Energy Limited (ACN 079 432 796) (Company or Whitebark).	Section 5.1
Who is the Company?	The Company is an Australian public company, incorporated on 22 July 1997. Since incorporation, the Company has focused on oil and gas exploration and production activities.	Section 5.1
What is the Company's interest in Projects?	The Company holds the interests in the following projects: (a) Wizard Lake Project (Wizard Lake) where the company holds a 100% working interest in the Wizard Lake oil and gas field in the province of Alberta; and (b) Warro Gas Project (Warro), where the Company through wholly owned subsidiary Latent Petroleum, holds a 100% interest in the undeveloped Warro Gas Project, about 200km north of Perth, (together, the Projects).	Section 5.2 and Annexure A
Why is the Company suspended from the Official List?	On 14 January 2021, the Company's securities were suspended from Official Quotation, at the request of Whitebark, pending the release of an announcement regarding the outcome of a restructuring process.	Section 5.10
How will the Company's securities be reinstated to trading?	The Company must satisfy the Reinstatement Conditions for reinstatement of the Company's Shares to trading on the Official List (Reinstatement) to occur, which includes, amongst other things, releasing this Prospectus. Further details of the Reinstatement Conditions are set out in Section 4.17 and Schedule 1 of this Prospectus.	Section 4.17 and Schedule 1

Item	Summary	Further information
B. Business Model		
What is the Company's business model?	<p>Following completion of the Offer and Reinstatement occurring, the Company's proposed business model will be to further explore and develop the Projects as per the Company's intended exploration programs.</p> <p>The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table at Section 5.6.</p> <p>A detailed explanation of the Company's business model is provided at Section 5.3 and a summary of the Company's proposed exploration programs is set out at Section 5.5.</p>	Section 5.3 and 5.6
What are the key business objectives of the Company?	<p>The Company's main objectives on completion of the Offer and Reinstatement are:</p> <ul style="list-style-type: none"> (a) focus on mineral exploration and other resource opportunities that have the potential to deliver growth for Shareholders; (b) continue to pursue other acquisitions that have a strategic fit for the Company; (c) systematically explore the Company's Projects; and (d) provide working capital for the Company. 	Section 5.3
What are the key dependencies of the Company's business model?	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> (a) maintaining title to the Wizard Lake and Warro Projects; (b) retaining and recruiting key personnel skilled in the mining and resources sector; (c) sufficient worldwide demand for oil and gas; and (d) the market price of oil and gas remaining higher than the Company's costs of any future production (assuming successful exploration by the Company). 	Section 5.4

Item	Summary	Further information
C. Key Advantages		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> (a) subject to raising the Minimum Subscription, the Company will have sufficient funds to implement the Company's strategy; (b) a portfolio of quality assets in Canada and Western Australia considered by the Board to be highly prospective for oil and gas; and (c) a highly credible and experienced team to progress exploration and accelerate potential development of the Projects. 	Section 5
D. Key Risks		
Reinstatement	<p>The Company remains in discussions with ASX with respect to the reinstatement of its securities to official quotation.</p> <p>As the Company is suspended from trading, there is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after reinstatement may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also</p>	Section 7.2

Item	Summary	Further information
	affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.	
Going concern	<p>The Company's financial report for the year ended 30 June 2021 contained a note regarding the fact that Company and its subsidiaries' (together, the Consolidated Entity) have incurred a loss after tax of \$9,602,944 including an impairment charge of \$11,474,791.</p> <p>The note concluded that should the Company's Wizard Lake operation not generate cash flow as forecast or existing creditors with extended payment terms demand payment ahead of forecast, and/or the Directors are unsuccessful in raising equity or debt funding as required, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts set out in the financial report.</p>	Section 7.2
Ukraine Conflict	<p>The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine</p>	Section 7.2

Item	Summary	Further information
	Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.	
Other risks	For additional specific risks please refer to Section 7. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Section 7

E. Directors and Key Management Personnel

Who are the Directors?	<p>The Board consists of:</p> <ul style="list-style-type: none"> (a) Duncan Gordon – Chair; (b) Matthew White – Non-Executive Director; and (c) Tino Guglielmo – Non-Executive Director. <p>Upon Reinstatement, the Company is not proposing to make any changes to the composition of the Board as set out above.</p> <p>The profiles of each of the Directors are set out in Section 8.1.</p>	Section 8.1
What experience do the Directors have?	<p><u>Duncan Gordon – Chair</u></p> <p>Duncan is a founder and co-principal of Adelaide Equity Partners Limited. Duncan has extensive experience in the industrial and natural resources sectors.</p> <p><u>Matthew White – Non-Executive Director</u></p> <p>Mr White is CEO of his own financial services firm and has over 30 years' experience as a Chartered Accountant, registered Mortgage Broker and Financial Planner. His firm offers a holistic approach to its client's needs and focuses on continuous business improvement and wealth creation. Mr White has acted as external CFO for a number of companies and sits on the board of ASX listed company Aerometrex Limited (AMX).</p> <p><u>Tino Guglielmo – Non-Executive Director</u></p> <p>Giustino (Tino) Guglielmo is a well credentialed Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally.</p>	Section 8.1

Item	Summary	Further information
What are the significant interests of Directors in the Company?	Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in Section 8.2.	Section 8.2
What are the significant interests of advisors to the Company?	Details of the significant interest of advisors to the Company are set out in Section 10.6.	Section 10.6
Employee Share Options Plan	At the Company's AGM held 11 November 2019, shareholder approved the adoption of the Company's Employee Share Option Plan	Section 10.4
What related party agreements are the Company party to?	Refer to the agreements with the Directors that are set out in Section 9.2.	Section 9.2
F. Financial Information		
How has the Company been performing?	The audited historical financial information of the Company (including its subsidiaries) as at 30 June 2021 is set out in Section 6 and Annexure C.	Section 6 and Annexure C
What is the financial outlook for the Company?	Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings. Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.	Section 6 and Annexure C
G. Offer		
What is the Offer?	The Offer is an offer of up to 2,186,562,776 Shares at an issue price of \$0.002 per Share to raise up to approximately \$4.4m (before costs) via a 1 for 2 non-renounceable entitlement offer. Options with an exercise price of \$0.004 each and an expiry date of three years from the date of issue will be issued free attaching on a 1 for 2 basis to every person issued Shares pursuant to this Prospectus.	Section 4.1
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer and the Shortfall Offer is \$2.5 million.	Section 4.2

Item	Summary	Further information
What are the purposes of the Offer?	The purposes of the Offer are to assist the Company in satisfying certain Reinstatement Conditions to enable Reinstatement to occur and to position the Company to seek to achieve the objectives stated at Section B of this Investment Overview.	Section 4.7
Is the Offer underwritten?	No, the Offer is not underwritten.	Sections 4.5
Who is the corporate advisor to the Offer?	The Company has appointed Adelaide Equity Partners Limited (AEP) to provide corporate advisory and investor relations services in relation to the Offer. AEP will receive a fee of 6% of the total amount raised under the Offer.	Section 4.6
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 4.12
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 4.4
What is the Shortfall Offer?	Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Offer.	Section 4.8
What is the allocation policy of the Shortfall Offer?	In addition to Eligible Shareholders applying for Shortfall Shares, AEP will offer Shortfall Shares to professional and sophisticated investors, who must complete a Shortfall Application Form to subscribe for Shortfall Shares. The Company intends to allocate Shortfall	Section 4.8

Item	Summary	Further information
	Shares to Eligible Shareholders in priority to other Shortfall Offer applicants.	
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 5.7.	Section 5.7
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to: (a) the Shares offered under the Offer are set out in Section 10.2; and (b) the Options offered under the Offer are set out in Section 10.3.	Sections 10.2 and 10.3
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow.	
Who are the current substantial Shareholders of the Company and on what terms were their Shares issued?	A summary of the substantial shareholders are shown at Section 5.8.	Section 5.8
Will the Shares be quoted on ASX?	Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest. The Options issued under the Offer will be unquoted.	Section 4.9
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
Are there any conditions to the Offer?	No, other than raising the Minimum Subscription and ASX approval for quotation of the Shares, the Offer is unconditional.	Section 4.2

Item	Summary	Further information
H. Use of funds		
How will the proceeds of the Offer be used?	<p>The Offer proceeds and the Company's existing cash reserves will be used for:</p> <ul style="list-style-type: none"> (a) implementing the Company's business objectives and exploration and development programs as set out in Part C of Investment Overview; (b) expenses of the Offer (c) administration costs; and (d) working capital, <p>further details of which are set out in Section 5.5.</p>	Section 5.5
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 5.5
I. Additional information		
Is there any brokerage, commission or duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.</p> <p>However, the Company will pay to AEP 6% (ex GST) of the total amount raised under the Prospectus (a capital raising fee of 5% and management fee of 1%.</p>	Section 9.1
Can the Offer be withdrawn?	<p>The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded (without interest).</p>	Section 4.16
What are the tax implications of investing in Shares?	<p>Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus.</p> <p>The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.</p>	Section 4.15
What is the Company's Dividend Policy?	The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities are expected to dominate at least, the first	Section 5.12

Item	Summary	Further information
	<p>two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted <i>The Corporate Governance Principles and Recommendations (4th Edition)</i> as published by ASX Corporate Governance Council (Recommendations).</p> <p>The Company's main corporate governance policies and practices and the Company's compliance and departures from the Recommendations as at the date of this Prospectus are outlined in Section 8.4.</p> <p>In addition, the Company's full Corporate Governance Plan is available from the Company's website www.whitebarkenergy.com.</p>	Section 8.4
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser;</p> <p>(b) By contacting the Company Secretary, on 08 8232 8800; or</p> <p>(c) By contacting the Share Registry on 1300 556 161 (within Australia) and + 61 3 9415 4000 (outside Australia).</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is a non-renounceable entitlement issue of one new Share for every two Shares held at an issue price of \$0.002 per new Share to raise up to \$4,373,125.55 (**Maximum Subscription**) together with 1 free attaching Option for every 2 Share subscribed for and issued under the Prospectus.

Fractional entitlements will be rounded up to the nearest whole number.

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 10.2. The Options offered under the Offer will be issued on the terms and conditions set out in Section 10.3. All Shares issued on conversion of the Options will rank equally with the Shares on issue at the date of this Prospectus.

4.2 Minimum subscription

The minimum subscription for the Offer and the Shortfall Offer is \$2.5m (1,250,000,000 Shares) (**Minimum Subscription**).

4.3 Oversubscriptions

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Offer.

4.4 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement and the excess will be treated as an application for Shortfall Shares. For further information regarding the Shortfall Offer, refer to Section 4.8.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement make a payment for the amount specified on your Entitlement and Acceptance Form for full acceptance of your Entitlement; or
- (b) if you wish to take your **full** Entitlement **and** apply for Shares under the Shortfall Offer, make a payment for the aggregate of the Entitlement Shares you wish to accept and the Shortfall Shares you wish to apply for at \$0.002 per Share. The amount paid that is in excess of the amount payable for full acceptance of your Entitlement will be treated as an application for Shortfall Shares. The terms of the Shortfall Offer are set out in Section 4.8 below; or
- (c) if you only wish to accept **part** of your Entitlement, make a payment for the number of Entitlement Shares you wish to accept at \$0.002 per Share; or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.5 Underwriter

The Offer is not underwritten.

4.6 Corporate Advisor

The Company has engaged Adelaide Equity Partners Limited (**AEP**) to provide corporate advisory and investor relations services in relation to the Offer. AEP will receive a fee of 6% of the total amount raised under the Offer. For further information in relation to the Company's appointment of AEP, please refer to Section 9.1.

4.7 Purpose of the Offer

The primary purposes of the Offer are to:

- (a) assist the Company in satisfying certain Reinstatement Conditions to enable Reinstatement to occur;
- (b) provide the Company with additional funding for:
 - (i) the proposed programs at the Projects (as further detailed in Section 5.5);
 - (ii) considering acquisition opportunities that may be presented to the Board from time to time; and
 - (iii) the Company's working capital requirements while it is implementing the above; and
 - (iv) while it is implementing the above; and
- (c) remove the need for an additional disclosure document to be issued upon the sale of any Shares that are to be issued under the Offer.

The Company intends on applying the funds raised under the Offer together with its existing cash reserves in the manner detailed in Section 5.6.

4.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.002 being the price at which Shares have been offered under the Offer.

Eligible Shareholders may apply for Shortfall Shares on the Entitlement and Acceptance Form accompanying this Prospectus.

The Company will allow Eligible Shareholders to apply for new Shares in the Shortfall Offer in priority to the satisfaction of obligations of AEP subject to such applications being received by the Closing Date. In the event of oversubscription from these applications they will be scaled back on a pro-rata basis in consultation with AEP.

In addition to Eligible Shareholders applying for Shortfall Shares, AEP will offer Shortfall Shares to professional and sophisticated investors, who must complete a

Shortfall Application Form to subscribe for Shortfall Shares. The Company intends to allocate Shortfall Shares to Eligible Shareholders in priority to other Shortfall Offer applicants.

The Company notes that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeovers prohibition in section 606 of the Corporations Act. Similarly, if none of the exceptions set out in Listing Rule 10.12 apply, no Shares will be issued via the Shortfall Offer to any related parties of the Company or other persons who fall within the ambit of Listing Rule 10.11.

4.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has received the approval of ASX to be Reinstated.

If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.10 Issue

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed in accordance with the timetable set out at the commencement of this Prospectus and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

4.11 Ineligible Shareholders

This Prospectus is only intended to be distributed and made available to Eligible Shareholders of the Company and is personal to each Eligible Shareholder to whom it has been delivered. This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Having regard to the number of Ineligible Shareholders, the number and value of Shares these Ineligible Shareholders would be offered and the cost of complying with regulatory and legal requirements in each relevant jurisdiction, the Company has decided it is unreasonable to make offers under the Offer to Shareholders with a registered address outside of Australia and New Zealand. Accordingly, the Offer is not being extended and Shares will not be issued to Ineligible Shareholders.

4.12 International Offer Restrictions

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify these Shares the subject of this Prospectus or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. As a result, the new Shares may not be offered or sold outside Australia, except for New Zealand to the extent provided below.

The new Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

4.13 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

AEP will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to AEP under the Corporate Advisory Mandate.

4.14 Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of, or send any documents related to the Offer to, any Eligible Shareholder, except (i) to beneficial shareholders who are Institutional Investors (excluding Canada and the United States) or (ii) as the Company may agree upon request taking into account applicable securities laws.

4.15 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

4.16 Withdrawal of Offer

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

4.17 Reinstatement Conditions

On completion of the Offer, the Company believes that it will be in a position to seek Reinstatement. Reinstatement is subject to the discretion of the ASX. However, the Company has received confirmation from the ASX that it will, subject to satisfaction of the Reinstatement Conditions, allow Reinstatement to occur.

The Reinstatement Conditions are set out in Schedule 1.

5. COMPANY AND PROJECTS OVERVIEW

5.1 Background

The Company is an Australian public company incorporated on 22 July 1997.

Since incorporation, the Company has focused on oil and gas exploration and production.

5.2 Overview of the Projects

5.2.1 Wizard Lake Project

Whitebark holds 100% working interest in the Wizard Lake Oil Field in the province of Alberta. Three successful wells have been drilled (Rex-1, 2 and 3), and appropriate facilities and export pipelines constructed which bring crude oil, natural gas, and associated natural gas liquids to market. 20+ development drilling locations have been identified with permitting of locations for Rex-4 and Rex-5 well-progressed.

Working Interest in Wizard Lake has increased from 20% to 100% between 31 December 2019 and June 2021.

Drilling Operations

The primary focus of the JV has been on the development and optimisation of existing oil pools. A disciplined and pragmatic technical approach in nearby areas has uncovered robust exploration potential. The Wizard Lake Rex Oil Discovery is now in development and focussed on the Rex (Upper Mannville) oil and gas play. The successful drilling and testing of the first Wizard Lake Rex-1 well re-directed the focus to the continued development of the Rex field as outlined below.

Wizard Lake Rex – Rex-1 Oil Discovery

The Wizard Lake Rex well was spud on the 24 November 2018 and, following a 27 stage fracture stimulation program, the well commenced clean-up flows on 24 December 2018. Initial flow testing of the Wizard Lake Rex horizontal oil well recorded production rates of more than 300 barrels of oil per day.

Rex-2 Development Well

Rex-2 was drilled and completed in August 2019. A successful 35 stage frac placing over 1000 tonnes of proppant into the Rex formation was announced on 26 August 2019 and flowback and testing commenced shortly after. Steadily increasing production rates in Rex-2 during the test period enabled commercial production to be established for the well. Final 24-hour testing flow rates averaged 700 boepd.

Rex-3 – Development Well

Rex-3 was successfully drilled to 3673m total length in eight (8) drilling days from spud on 17 November 2019. The planned Rex-3 horizontal leg of 1800m (Rex-1 hz = 1237m, Rex-2 hz = 1500) was extended 298m due to the presence of a continuous reservoir while drilling to the toe. The well encountered excellent quality reservoir with free oil noted on the shakers, oil shows (fluorescence and

cut) and elevated gas readings when drilled. Elevated porosity levels ranging up to 23% were also recorded through the sand (Rex-1: 15-18%, Rex-2 – up to 21%).

A successful 46 stage fracture stimulation program was completed in just over 30 hours during December 2019. The 46 stage frac programme placed over 1300 tonnes of proppant into the Rex formation and used sliding frac sleeves to isolate each zone.

Pump assisted cleanup flows of Rex-3 commenced on 12 December with average rates of 1084 bopd and 1.16 mmcf/d. As expected, the extra length of the horizontal section at Rex-3 led to higher oil production rates and larger reserve bookings for Rex-3 than at Rex-1 and Rex-2.

As announced on 7 January 2020, Rex-3 flowed oil and gas to surface unassisted. At that time, approximately 30% of the frac fluid had been recovered. The well flowed through an 11.91mm choke to restrain the gas rate to approximately 2 mmcf/d and ensure the well could clean up in an optimal manner. Flowing 350 to 450 bopd under this heavy choke, the well continued to clean up with a total water cut of approximately 35%.

The Company commenced development of the Wizard Lake field in November 2019. Since the Wizard Lake discovery, the Company's wells have produced 130 Mbbbls oil and 0.9 bcf gas. Wizard Lake is currently producing ~64 bopd and ~870 mscf/d (208 boepd). Production from Wizard Lake was impacted by well bore damage on initial production, the impact of COVID-19 on suppressed oil price during 2020, and extreme weather conditions (both heat and cold) during 2021. Greater available historical production data has led to a revision of decline estimates and ultimate recovery per well for new wells. The Company expects to strengthen production by implementing optimization strategies identified as part of the strategic review.

At \$85/bbl oil and \$4.0/GJ gas prices, netback revenue during January was CAD \$64.47/bbl and CAD\$3.76/GJ.

Whitebark owns 100% of the Wizard Lake infrastructure which includes the satellite well-pad in addition to the facilities Battery. The existing well-pad can accommodate a further 5 wells from the existing well-head. Wells Rex-4 through Rex-8 (addressing 1P Proven reserves of 1.85 million barrels of oil equivalent) can be drilled from existing infrastructure with no requirement for additional facilities.

5.2.2 Warro Gas Project

The Company commenced a formal divestment process for its Warro Gas Project during September 2020. The decision to divest is a culmination of a strategic review of the asset over the previous 12 months together with increased interest in the project in the current WA gas market.

Recent activity in the Perth Basin presents opportunities to further investigate this massive gas resource as an onshore option to shore up domestic gas supplies. Successful outcomes from this process may include farm-in, outright sale or an alternative transaction structure and discussions continue with a limited number of companies.

The Warro gas field is located in Retention Lease 7, 200 kilometres north of Perth and is 100% owned by Whitebark. The project is ideally located just north of the large ~650 Terajoule per day Perth market and is 30km east of both the Dampier-Bunbury Natural Gas Pipeline and the Dongara-Perth Parmelia Pipeline which gives full access to the 1,200 Terajoule per day Western Australian gas market.

The Warro Project continues to be in care and maintenance, awaiting Government guidance on the regulatory changes to be made to implement the recommendations of the Fracking Inquiry.

Further details with respect to the Warro Gas Project is set out in the table below:

Title	Holder	Status	Expiry Date	Area
Retention Lease 7	Latent Petroleum Pty Ltd ¹	Live	04/12/2022	222.28 (km ²)

Notes:

1. The Company's wholly owned subsidiary.

5.3 Business Model

Following completion of the Offer, the Company's proposed business model will be to further explore and develop the Projects as per the Company's intended exploration and production programs. Further reductions in fixed costs are planned through acquisition of rented facilities and installation of a water disposal flowline, eliminating trucking costs.

Permitting of Rex-4 and Rex-5 locations is under way. The successful drilling of Rex-4 will allow the Company to self-fund the drilling of Rex-5 within 12 months of initial production from Rex-4. Over 20 further development locations are identified at Wizard lake oil and gas field.

Installation of greater compression provision at the Wizard lake oil pad will facilitate increased production from Rex-3 and accommodate significantly increased production from Rex-4 and rex-5 through existing infrastructure.

The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table at Section 5.6

5.4 Key Dependencies

The success of the Company's business strategy (set out below) is dependent on the following factors:

- (a) maintaining title to the Wizard Lake and Warro Projects;
- (b) retaining and recruiting key personnel skilled in the mining and resources sector;
- (c) sufficient worldwide demand for oil and gas; and
- (d) the market price of oil and gas remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).

5.5 Proposed Exploration Program and Development Plan

The Strategic Review identified several opportunities to optimise cashflow and production from Wizard Lake – these included the following:

- (a) the purchase of rental equipment. Whitebark is currently using rented heated storage tanks, pumps and generators for oil handling which are scaled to accommodate anticipated future enhanced production

levels. Purchase would decrease fixed costs by over 60%. By bringing these assets on to the balance sheet, long term cashflow can be improved generating opportunity for reinvestment in optimisation strategies or exploration;

- (b) the installation of a water-disposal flowline to the third-party salt-water disposal well would eliminate water trucking costs of approx. C\$3.50/bbl.
- (c) future development potential. The company has identified 5 Proven Undeveloped (PUD, those which can be accessed from existing infrastructure) locations including 2 which are already being permitted. Drilling of Rex-4 would be conducted with a more conservative approach to development, an initial pilot well to determine wellbore in oil-saturated reservoir, with subsequent completion and fracking based on success;
- (d) well performance expectations have been revised to an initial 300 bopd plus 1400 mscfg/d, dropping to 80 bopd plus 630 mscfg/d over the first 12 months per observed decline rate of the Rex Sand reservoir. First year's production from Rex-4 is modelled as 55 Mbbbls and 293 MMcfg. Payback for the well is achieved after 6 months (at US\$75 WTI oil) and the well generates sufficient revenue (along with that from existing wells) to self-fund drilling of Rex-5 within 12 months of inception; and
- (e) the installation of enhanced compression capability at the well pad into the existing 4" pipelines will increase production levels at Rex-3 (the most prolific existing well, currently not under compression) and accommodate significantly enhanced production from future wells Rex-4 and Rex-5.

5.6 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Minimum Subscription (\$)	Percentage of Funds (%)	Maximum Subscription (\$)	Percentage of Funds (%)
Existing cash reserves ¹	515,883	17.1%	515,883	10.6%
Funds raised from the Offer	2,500,000	82.9%	4,373,126	89.4%
Total	3,015,883	100.00	4,889,009	100.00
Allocation of funds				
Exploration/development at Wizard Lake Project ²	2,000,000	66.3%	3,800,000	77.7%
Expenses of the Offer ³	261,577	8.7%	378,739	7.7%
Administration costs ⁴	506,139	16.8%	506,139	10.4%

Funds available	Minimum Subscription (\$)	Percentage of Funds (%)	Maximum Subscription (\$)	Percentage of Funds (%)
Working capital ⁵	248,167	8.2%	204,131	4.2%
Total	3,015,883	100.00	4,889,009	100.00

Notes:

1. Refer to the Financial Information set out in Section 6 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer. Since 30 June 2021, the Company has expended approximately \$84,000 in progressing the Reinstatement process and preparing the Prospectus.
2. Refer to Section 5.5 and the Independent Geotechnical Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Projects.
3. Refer to Section 10.8 for further details.
4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
5. To the extent that:
 - (a) the Company's exploration activities warrant further exploration activities; or
 - (b) the Company is presented with additional acquisition opportunities,
 the Company's working capital will fund such further exploration and acquisition costs (including due diligence investigations and expert's fees in relation to such acquisitions). Any amounts not so expended will be applied toward administration costs for the period following the initial 2-year period following the Company's quotation on ASX.

It is anticipated that, if the Minimum Subscription is raised, the funds raised under the Offer will enable 2 years of full operations under its existing development program. If the Maximum Subscription is raised, it is anticipated that the funds raised under the Offer will enable 2 years of full operations under the Company's proposed exploration program and development plan that is set out in Section 5.5. It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the Company's Rex-4 drilling program. In the success case as modelled (85% chance of success) the Company will be able to self-fund drilling of Rex-5 within 12 months of Rex-4 coming onto production. The use of further debt or equity funding will be considered by the Board where it is appropriate to fund additional exploration on the Wizard Lake Project or to capitalise on acquisition opportunities in the resources sector.

In the event the Company raises more than the Minimum Subscription of \$2.5 million under the Offer but less than the Maximum Subscription, the additional funds raised will be first applied towards the expenses of the Offer and then proportionally to the other line items in the above table.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including exploration success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 7.

5.7 Capital structure

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is summarised below:

Shares¹

	Minimum Subscription	Maximum Subscription
Shares currently on issue	4,373,125,551	4,373,125,551
Shares to be issued pursuant to the Offer ²	1,250,000,000	2,186,562,776
Total Shares on completion of the Offer	5,623,125,551	6,559,688,327

Notes:

1. The rights attaching to the Shares are summarised in Section 10.2.
2. Minimum 1,250,000,000 Shares to be issued at an issue price of \$0.002 per share to raise up to \$2.5 million and maximum of 2,186,562,776 Share to be issued at an issue price of \$0.002 per share to raise up to \$4,373,125.55 under the Offer.

Options

	Minimum Subscription	Maximum Subscription
Options currently on issue	177,800,000	177,800,000
Options to be issued pursuant to the Offer	675,000,000	1,093,281,388
Options to be issued to Directors and CEO ¹	70,000,000	70,000,000
Total Options on completion of the Offer	872,800,000	1,341,081,388

Notes:

1. The Company obtained Shareholder approval to issue these Options at its Annual General Meeting that was held on 25 February 2022. The terms of these Options are set out in Section 10.3, being the same terms as the Options being issued under the Offer.

5.8 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus are set out in the table below.

Shareholder	Shares	Options	Percentage (%) (undiluted)	Percentage (%) (fully diluted)
Mr Kim Aaron Muller	267,850,000	-	6.12%	5.88%
Mr Charles Waite Morgan	255,284,012	-	5.84%	5.60%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

5.9 Potential Dilution

Shareholders should note that if they do not participate in the Offer or the Placement, their shareholdings will be diluted by approximately 33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus). Examples of how the dilution may impact Shareholders are set out in the table below:

Shareholding as at Record Date	% at Record Date	Entitlement	Shareholding if Offer not taken up	% post Offer
500,000,000	11.4%	250,000,000	500,000,000	7.6%
250,000,000	5.7%	125,000,000	250,000,000	3.8%
100,000,000	2.3%	50,000,000	100,000,000	1.5%
50,000,000	1.1%	25,000,000	50,000,000	0.8%

Note:

1. The dilutionary effect shown in the table is the maximum percentage on the assumption that all Entitlements that are not accepted under the Offer are placed under the Shortfall Offer.

5.10 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

(a) Suspension

On 14 January 2021, the Company's securities were voluntarily suspended from official quotation pending the release of an announcement regarding the outcome of a restructuring process.

As announced on 3 March 2021, the Court of the Queen's Bench in Alberta has approved the Sale and Investment Solicitation Procedures proposed by the Company's wholly owned Canadian subsidiary Salt Bush Energy Limited regarding the sale process for Wizard Lake Oil Field.

As announced on, 31 May 2021, the Court of the Queen's Bench in Alberta has approved:

- (i) the SISP proposed by Salt Bush, including the Ironbark Energy Pty Ltd (**Ironbark**) (Whitebark's wholly owned subsidiary) stalking horse bid and associated asset purchase agreement;

- (ii) the establishment of a number of payment priorities from the proceeds of the stalking horse bid, including payment of professional fees and repayment of any debtor in possession financing provided by the Company; and
- (iii) several other procedural matters.

Whitebark, via Ironbark, bid C\$2,000,000 to acquire the Wizard Lake from Salt Bush. This bid comprised C\$336,000 in cash and C\$1,664,000 in forfeit of an existing loan made by Whitebark to Salt Bush

The bid was successful and Whitebark gained effective control of the Wizard Lake oil and gas project via Salt Bush using a reverse vesting order mechanism (**RVO**) on 19 May 2021. The RVO process meant that Ironbark was not used to purchase the asset and it stayed resident in Salt Bush. As part of this process, all Salt Bush creditors, with a total amount of C\$19.6 million as at 19 May 2021 were transferred to a third-party residual company along with any residual Salt Bush cash resulting in Salt Bush no longer having any obligation to settle these creditors. Oversight of the trustee was withdrawn as part of the transaction effective, 19 May 2021, Salt Bush is now back under the full and effective control of Whitebark.

Whitebark has finalised its review of the Wizard Lake oil and gas field. This included an assessment of booked 1P and 2P reserves, which was audited by a SPE accredited competent person in Canada. The Company's "2021 Reserves and Contingent Resources Report" was released to the ASX on October 27th 2021, with an Addendum containing further clarification to the Report released on December 7th 2021. In addition, the Company's experienced, in-country technical team continue to consider potential performance enhancements of the existing Wizard Lake wells and multiple step-out drilling locations at the site.

The Company remains in discussions with ASX with respect to the reinstatement of its securities to official quotation.

As the Company is suspended from trading, there is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.

The price at which the Company's Shares trade on ASX after reinstatement may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

(b) **Going concern**

The Company's financial report for the year ended 30 June 2021 contained a note regarding the fact that Company and its subsidiaries' (together, the **Consolidated Entity**) have incurred a loss after tax of \$9,602,944 including an impairment charge of \$11,474,791.

The note concluded that should the Company's Wizard Lake operation not generate cash flow as forecast or existing creditors with extended payment terms demand payment ahead of forecast, and/or the Directors are unsuccessful in raising equity or debt funding as required, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts set out in the financial report.

For further information relating to the Company's going concern risk, refer to Section 7.2.

5.11 Additional Information

Prospective investors are referred to and encouraged to read in its entirety both the:

- (a) the Independent Geotechnical Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects;
- (b) the Solicitor's Report on Title in Annexure B for further details in respect to the Company's interests in the Wizard Lake Project; and
- (c) the Investigating Accountant's Report in Annexure C for further details on the Company's financials.

5.12 Dividend policy

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

5.13 Top 20 Shareholders

Reinstatement is conditional on, among other things, the Company releasing details of its top 20 Shareholders to the ASX.

6. FINANCIAL INFORMATION

6.1 Introduction

The financial information contained in this Section includes:

- (a) audited consolidated statements of profit or loss and other comprehensive income for the financial year ended 30 June 2019 (FY19), 30 June 2020 (FY20) and 30 June 2021 (FY21);
- (b) audited consolidated statement of cash flows for FY19, FY20, and FY21;
- (c) audited consolidated statements of financial position as at 30 June 2019, 30 June 2020 and 30 June 2021; and

(together referred to as the “**Statutory Historical Financial Information**”),

- (d) pro forma historical consolidated statement of financial position as at 30 June 2021 and supporting notes which includes the Pro Forma transactions, subsequent events, consolidation adjustments and capital raising;

(referred to as the “**Pro Forma Historical Financial Information**”).

The Statutory Historical Financial Information and Pro Forma Historical Financial Information together referred to as the “**Financial Information**”.

The Financial Information should be read together with the other information contained in the Prospectus, including:

- (a) management's discussion and analysis set out in this Section;
- (b) key accounting policies set out in Annexure D;
- (c) the risk factors described in Section 7;
- (d) the Investigating Accountant's Report on the Financial Information set out in Annexure C; and
- (e) the other information contained in this Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

6.2 Basis of preparation of the Statutory Historical and Pro Forma Historical Financial Information (“Financial Information”)

(a) Overview

The Financial Information is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Whitebark, together with the pro forma historical financial position. The Directors are responsible for the preparation and presentation of the Financial Information.

Subject to Section 6.2(b), which details the preparation of the Historical Financial Information, the financial information in this Prospectus has

been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards, which are consistent with the International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Significant accounting policies applied to the Financial Information are noted at Annexure D heading 'Significant Accounting Policies'. Whitebark has applied new accounting standards effective when applicable, this includes AASB 15 "Revenue from contracts with customers" (applicable from 1 January 2018) and AASB 16 "Leases" (applicable from 1 January 2019).

The consolidated general purpose financial statements of the Company were prepared in accordance with the Corporations Act, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with IFRS as issued by the International Accounting Standards Board.

The Financial Information presented in this Section includes a consolidation for FY19, FY20 and FY21 of the following entities historical financial performance:

- (i) Whitebark Energy Ltd (FY19 – FY21)
- (ii) Rex Energy Ltd (FY21)
- (iii) Tejon Energy Pty Ltd (FY19 – FY21)
- (iv) Tejon Energy Inc (FY19 – FY21)
- (v) Latent Petroleum Pty Ltd (FY19 – FY21)
- (vi) Calor Energy Pty Ltd (FY19 – FY21)
- (vii) Kubla Oil Pty Ltd (FY19 – FY21)
- (viii) Salt Bush Energy Ltd (FY19 – FY20)
- (ix) Iron Bark Energy Ltd (FY20 – FY21)

Whitebark's key accounting policies are detailed in the Appendix D to this Prospectus. In preparing the Financial Information, the accounting policies of Whitebark have been applied consistently throughout the periods presented.

(b) Preparation of the Financial Information

The Historical Financial Information has been prepared on a consolidated basis for FY19, FY20 and FY21.

Whitebark's historical financial performance and financial position has been audited by KPMG for the periods FY19, FY20 and FY21. An

unqualified audit opinion was issued for each of those periods with material un-certainty regarding the going concern assumption, which was dependent upon:

- (i) the Company having sufficient cash available for Whitebark to continue operating until it can raise further capital;
- (ii) the Company successfully closing the Offer and gaining re-admission to the ASX Official List (or raising additional capital through debt/equity funding); and
- (iii) the Company having the continued support of its shareholders and financiers as demonstrated by the recent success in placement (2021).

The Financial Information has been reviewed by UHY Haines Norton Corporate Finance Pty Ltd, whose Investigating Accountant's Report that is annexed to this Prospectus as Annexure C. Investors should note the scope and limitations of that report. The information in this Section should also be read in conjunction with the risk factors set out in Section 7 and other information contained in this Prospectus.

All amounts disclosed in the tables in this Section are presented in Australian dollars unless otherwise noted, are rounded to the nearest whole dollar. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sum of components in figures contained in this Prospectus are due to rounding.

- (c) The Directors are responsible for the inclusion of all financial information in this Prospectus. Investors should note that historical financial performance is not a guide for future financial performance.

6.3 Statutory Historical statement of profit or loss and other comprehensive income

The table below presents the summarised statutory historical statement of profit or loss and other comprehensive income for FY19, FY20 and FY21.

	Audited FY19 (\$)	Audited FY20 (\$)	Audited FY21 (\$)
Revenue	2,107,573	3,378,369	3,342,663
Royalties	(230,383)	(502,225)	(657,037)
Cost of goods sold	(1,856,141)	(2,418,231)	(1,842,616)
GROSS PROFIT	21,049	457,913	843,010
Other income	-	75,846	3,763,087
Finance income	88,692	61,566	56,348
Profit on disposal of assets	1,379,736	1,324,833	9,071
Change in fair value of financial assets	33,573	(350,493)	-
EXPENSES			

	Audited FY19 (\$)	Audited FY20 (\$)	Audited FY21 (\$)
Administrative expenses	(2,271,761)	(2,811,768)	(1,776,230)
Finance costs	(170,986)	(58,329)	(20,025)
Impairment expense on property, plant and equipment	-	-	(10,351,783)
Impairment expense on exploration and evaluation assets	(1,552,431)	-	-
Impairment expense on trade receivables	-	-	(1,123,008)
Share based payments expense	(81,745)	(504,960)	434,057
Depletion, depreciation and amortisation	(1,041,412)	(1,670,396)	(689,896)
Other operating expenses	(480,163)	(671,623)	(747,575)
Loss before income tax	(4,075,448)	(4,147,411)	(9,602,944)
Income tax (expense) / benefit	-	-	-
Loss for the year	(4,075,448)	(4,147,411)	(9,602,944)
Other comprehensive income			
Items reclassified through profit and loss:			
Foreign currency translation	175,333	(387,094)	(237,150)
Total comprehensive loss for the year	(3,900,115)	(4,534,505)	(9,840,094)

6.4 Management discussion and analysis of the historical financial performance and key operating metrics

Below is a discussion of the main factors which affected the operations and relative financial performance in FY19, FY20 and FY21 which Whitebark Energy Ltd expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Company's historical operating and financial performance, nor everything which may affect operations and financial performance in the future.

- (a) Revenue: Whitebark has historically generated revenue through the production of oil, gas and liquid natural gas from its Wizard Lake facility located in Alberta, Canada.
- (b) Employment benefit expenses: Includes all employee related expenses such as wages and salaries, superannuation and payroll tax.
- (c) Other expenses: Other expenses includes direct costs, occupancy costs, professional fees, insurance, royalties paid and other administration costs.

- (d) Depreciation and amortisation expenses: Expenses in relation to plant and equipment.

Whitebark's intended use of funds (as detailed in section 5.6 "Use of funds") will result in a change to the underlying cost base of the business as the Group seeks to achieve its long-term growth ambitions. The additional costs have the potential to impact short term profitability, however Whitebark intends to incur these additional costs in order to allow it to achieve its potential as a business including its targeted revenue growth.

6.5 Historical statement of cash flows

The table below presents the summarised historical statement of cash flows for FY19, FY20 and FY21.

	Audited FY19 (\$)	Audited FY20 (\$)	Audited FY21 (\$)
Cash flows from operating activities			
Receipts from customers	1,568,843	3,693,221	3,368,398
Payment for royalties on production revenue	(173,445)	(543,843)	(657,037)
Government grants - COVID-19 stimulus	-	-	128,000
Interest received	28,792	9,561	1,348
Interest paid	-	(6,034)	(5,817)
Payment for production, suppliers and employees	(3,800,110)	(5,054,034)	(4,353,317)
Net cash flows (used in) operating activities	(2,375,920)	(1,901,129)	(1,518,425)
Cash flows from investing activities			
Proceeds from sale of securities	-	235,124	278,920
Proceeds from sale of tenements	2,194,038	-	-
Payment for purchase of securities	-	(1,626)	-
Payment for plant and equipment	(53,218)	(6,878)	(105,051)
Payment for re-acquisition of Wizard Lake assets	-	-	(370,201)
Payment for interest in Wizard Lake assets	-	(1,278,365)	-
Payment for tenements	-	(258,845)	-
Payment for development	(1,644,705)	(7,739,623)	(1,761,953)
Payments for exploration assets	(256,028)	(29,245)	-
Net cash flows provided by/(used in) investing activities	240,087	(9,079,458)	(1,958,285)

	Audited FY19 (\$)	Audited FY20 (\$)	Audited FY21 (\$)
Cash flows from financing activities			
Proceeds from share issue (net of costs)	3,906,493	8,920,935	3,110,759
Proceeds from loans	-	200,000	-
Repayments of loans	-	-	(200,000)
Net cash flows provided by financing activities	3,906,493	9,120,935	2,910,759
Net increase/(decrease) in cash and cash equivalents	1,770,660	(1,859,652)	(565,951)
Cash at the beginning of the financial period	1,090,415	2,923,228	1,115,951
Effect of movement in exchange rates on cash held	62,153	52,375	(34,117)
Cash and cash equivalents at 30 June 2021	2,923,228	1,115,951	515,883

(a) **Operating cash flows**

There has been a net operating cash outflow for FY20 and FY21 resulting primarily from the losses incurred as detailed at Section 6.3.

(b) **Investing cash flows**

The Company divested itself of its listed share investments and reinvested into the Wizard lake asset in Canada. In addition, Plant and Equipment was purchased and funds were spent maintaining the Warro Asset.

(c) **Financing cash flows**

The net cash flows for operations and investments have necessitated the raising of finance as follows:

In FY21, 310,000,000 Fully Paid Ordinary Shares were issued generating funds of \$310,000. Further, 1,013,406,339 Fully Paid Ordinary Shares were issued via Non-Renounceable Pro Rata Entitlement Offer generating fund of \$3,040,219 before costs. Therefore, total capital raise of \$3,350,219 less capital raise cost of \$239,460 provided net cash from capital raise of \$3,110,759.

6.6 Statutory Historical statement of financial position

The table below presents the summarised Statutory historical statement of financial position as at 30 June 2019, 30 June 2020 and 30 June 2021.

	Audited 30 June 2019 (\$)	Audited 30 June 2020 (\$)	Audited 30 June 2021 (\$)
ASSETS			

	Audited 30 June 2019 (\$)	Audited 30 June 2020 (\$)	Audited 30 June 2021 (\$)
CURRENT ASSETS			
Cash and cash equivalents	2,923,228	1,115,951	515,883
Trade and other receivables	1,289,755	867,652	260,180
Other current assets	155,744	83,210	7,248
Other investments	839,329	269,849	-
TOTAL CURRENT ASSETS	5,208,056	2,336,662	783,311
NON-CURRENT ASSETS			
Property, plant and equipment	8,041,123	14,735,267	3,614,254
Exploration and evaluation assets	919,584	22,232	-
Other receivables	-	581,345	-
TOTAL NON-CURRENT ASSETS	8,960,707	15,338,844	3,614,254
TOTAL ASSETS	14,168,763	17,675,506	4,397,565
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,621,848	6,100,250	686,367
Borrowings	-	200,000	-
Provisions	100,391	147,832	-
TOTAL CURRENT LIABILITIES	1,722,239	6,448,082	686,367
NON-CURRENT LIABILITIES			
Provisions	9,927	13,773	-
Decommissioning liabilities	8,568,740	2,410,404	2,017,244
TOTAL NON-CURRENT LIABILITIES	8,578,667	2,424,177	2,017,244
TOTAL LIABILITIES	10,300,906	8,872,259	2,703,611
NET ASSETS	3,867,856	8,803,247	1,693,954
EQUITY			
Issued capital	58,369,150	67,208,459	70,373,317
Reserves	1,014,004	1,257,497	(130,489)
Accumulated losses	(55,515,298)	(59,662,709)	(68,548,874)
TOTAL EQUITY	3,867,856	8,803,247	1,693,954

6.7 Pro-forma historical consolidated statement of financial position

The table below sets out the audited statutory historical consolidated statement of financial position as at 30 June 2021, the pro forma adjustments that have been made to it (further described in Section 6.8) and the pro forma historical consolidated statement of financial position as at 30 June 2021.

The pro forma consolidated statement of financial position as at 30 June 2021 is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

Costs of the offer are detailed in section 10.8.

Table: Pro-forma historical statement of financial position at Minimum Subscription

	Audited 30 June 2021 (\$)	Pro Forma Adjustments (\$)	Pro Forma (\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	515,883	2,238,423	2,754,306
Trade and other receivables	260,180	-	260,180
Other current assets	7,248	-	7,248
TOTAL CURRENT ASSETS	783,311	2,238,423	3,021,734
NON-CURRENT ASSETS			
Property, plant and equipment	3,614,254	851,069 ¹	4,465,323
TOTAL NON-CURRENT ASSETS	3,614,254	851,069	4,465,323
TOTAL ASSETS	4,397,565	3,089,492	7,487,057
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	686,367	-	686,367
TOTAL CURRENT LIABILITIES	686,367	-	686,367
NON-CURRENT LIABILITIES			
Decommissioning liabilities	2,017,244	851,069 ¹	2,868,313
TOTAL NON-CURRENT LIABILITIES	2,017,244	851,069	2,868,313
TOTAL LIABILITIES	2,703,611	851,069	3,554,680
NET ASSETS	1,693,954	2,238,423	3,932,377
EQUITY			
Issued capital	70,373,317	2,238,423	72,611,740
Reserves	(130,489)	-	(130,489)
Accumulated losses	(68,548,874)	-	(68,548,874)

	Audited 30 June 2021 (\$)	Pro Forma Adjustments (\$)	Pro Forma (\$)
TOTAL EQUITY	1,693,954	2,238,423	3,932,377

Note:

1. Increase in abandonment liability of Warro due to January 2022 quote from Refine Energy.

Table: Pro-forma historical statement of financial position at Maximum Subscription

	Audited 30 June 2021 (\$)	Pro Forma Adjustments (\$)	Pro Forma (\$)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	515,883	3,994,387	4,510,270
Trade and other receivables	260,180	-	260,180
Other current assets	7,248	-	7,248
TOTAL CURRENT ASSETS	783,311	3,994,387	4,777,698
NON-CURRENT ASSETS			
Property, plant and equipment	3,614,254	851,069 ¹	4,465,323
TOTAL NON-CURRENT ASSETS	3,614,254	851,069	4,465,323
TOTAL ASSETS	4,397,565	4,845,456	9,243,021
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	686,367	-	686,367
TOTAL CURRENT LIABILITIES	686,367	-	686,367
NON-CURRENT LIABILITIES			
Decommissioning liabilities	2,017,244	851,069	2,868,313
TOTAL NON-CURRENT LIABILITIES	2,017,244	851,069	2,868,313
TOTAL LIABILITIES	2,703,611	851,069	3,554,680
NET ASSETS	1,693,954	3,994,387	5,688,341
EQUITY			
Issued capital	70,373,317	3,994,387	74,367,704
Reserves	(130,489)	-	(130,489)
Accumulated losses	(68,548,874)	-	(68,548,874)
TOTAL EQUITY	1,693,954	3,994,387	5,688,341

Note:

1. Increase in abandonment liability of Warro due to January 2022 quote from Refine Energy.

6.8 Pro-forma transactions

The following transactions contemplated in this Prospectus which are to take place on or before the completion of the Offer, referred to as the subsequent events and pro-forma adjustments, are presented as if they, together with the Offer, had occurred as at 30 June 2021 and are set out below.

With the exception of the subsequent events and pro-forma transactions noted below no other material transactions have occurred between 30 June 2021 and the date of this Prospectus which the Directors consider require disclosure.

(a) Pro-forma transactions

Relevant pro-forma transactions include:

- (i) Offer (a): the issue of a minimum of 1,250,000,000 Shares at an issue price of \$0.002 per Share, to raise \$2,500,000 under the Offer. The issue of a maximum of 2,186,562,776 Shares at an issue price of \$0.002 per Share, to raise \$4,373,126 under the Offer.
- (ii) Offer costs (c): total expenses associated with the Offers at minimum subscription (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be \$261,577 (exclusive of GST). Total expenses associated with the Offers at maximum subscription (including broking, legal, accounting and administrative fees as well as printing, advertising and other expenses) are estimated to be \$378,739 (exclusive of GST) (see Section 10.8). Those costs which directly related to the issue of new Shares have been offset against contributed equity, as detailed as follows:

	Minimum Subscription (\$)	Maximum Subscription (\$)
Offset against contributed equity	261,577	378,739
Total	261,577	378,739

(iii) Abandonment liability

Previous estimates for abandonment and rehabilitation of the Warro wells and site were prepared in 2016. Whitebark had up-to-date costings prepared by Refine Energy in January of 2022. This resulted in an increase of liability for the abandonment of the Warro-3 to Warro-6 wells, and rehabilitation of the site, including civil works to rehabilitate the camp, of \$851,069 (which equate to 2% per annum inflationary cost).

(iv) Proposed Director/CEO Options

(f): the issue of 15,000,000 new Options to each Non-Executive Director and 25,000,000 to the Interim CEO, which are exercisable at \$0.004 per Option (see Section 8.2(b)(3) for further

details). The allocation of Options to each Non-Executive Director and Interim CEO are as follows:

Director	Number of Options
Duncan Gordon	15,000,000
Matthew White	15,000,000
Tino Guglielmo	15,000,000
Simon Brealey	25,000,000
Total	70,000,000

These Options will be conditional on shareholder approval at the Company's AGM

Utilising acceptable finance valuation methodologies, the Proposed Director/CEO Options have a fair value of \$0.000536 per Option totalling \$37,520. The fair value of the options issued have been recognised as a share-based payment in accordance with AASB 2 Share Based Payments.

(b) **Subsequent events**

There are no material subsequent events in the opinion of Directors which requires disclosure in this Section.

(c) **Reviewed pro-forma cash and cash equivalents**

The reviewed pro-forma cash and cash equivalents is set out below:

	Pro Forma \$ (Min)	Pro Forma \$ (Max)
Audited cash and cash equivalents at 30 June 2021	515,883	515,883
Pro forma transactions:		
Proceeds from the proposed shares issue under the offer (before costs)	2,500,000	4,373,126
Costs of the Offer	(261,577)	(378,739)
Pro forma cash and cash equivalents	2,754,306	4,510,270

(d) **Reviewed pro-forma contributed equity**

The reviewed pro-forma contributed equity is set out below:

	Pro Forma \$ (Min)	Pro Forma \$ (Max)
Audited contributed equity at 30 June 2021	70,373,317	70,373,317
Pro forma transactions:		
Subscription received under the Offer (before costs)	2,500,000	4,373,126
Costs of the Offer	(261,577)	(378,739)
Pro forma share capital	72,611,740	74,367,704

(e) **Number of Shares**

	Pro-forma no. of Shares (MIN)	Pro-forma no. of Shares (MAX)
Audited and reviewed shares at 30 June 2021	4,373,125,551	4,373,125,551
Shares to be issued under the Offer	1,250,000,000	2,186,562,776
Shares on issue after the Listing Date	5,623,125,551	6,559,688,327
Options on issue following the Offer	802,800,000	1,271,081,388
Shares and Options on issue after the re-listing Date	6,425,925,551	7,830,769,715

6.9 Commitments and Contingencies

(a) **Canada**

The company operates three producing oil and gas wells at Wizard Lake oil and gas field in Alberta, Canada, nominated Rex-1, Rex-2 and Rex-3. In the forward-looking economic analysis, which addresses 1P (Proven Developed Producing) reserves (existing wells) an amount of CAD \$1.203 million has been provided for abandonment of the wells and site rehabilitation.

(b) **Western Australia**

The company retains responsibility for 4 suspended gas wells at the Warro Gas Field in Western Australia, nominated Warro-3 through -6. A quote for abandonment and rehabilitation was received from Refine Energy in January 2022, and provision is made for abandonment and rehabilitation

of these wells at a cost of AUD 1.95 million net to WBE. WBE is responsible for 57% and ALCOA for 43% of the total well abandonment and civil camp rehabilitation costs (\$760,000 per well plus \$350,000 Camp and civil rehabilitation).

7. RISK FACTORS

7.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, its Projects and activities are set out in Section 3. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

7.2 Company specific risks

Risk Category	Risk
Reinstatement	<p>The Company remains in discussions with ASX with respect to the reinstatement of its securities to official quotation.</p> <p>As the Company is suspended from trading, there is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after reinstatement may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange</p>

Risk Category	Risk
	<p>rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>
Going concern	<p>The Company's financial report for the year ended 30 June 2021 contained a note regarding the fact that Company and its subsidiaries' (together, the Consolidated Entity) have incurred a loss after tax of \$9,602,944 including an impairment charge of \$11,474,791.</p> <p>The note concluded that should the Company's Wizard Lake operation not generate cash flow as forecast or existing creditors with extended payment terms demand payment ahead of forecast, and/or the Directors are unsuccessful in raising equity or debt funding as required, there is a material uncertainty as to the ability of the Consolidated Entity to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business and at the amounts set out in the financial report.</p>
Ukraine Conflict	<p>The current evolving conflict between Ukraine and Russia (Ukraine Conflict) is impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict.</p> <p>The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>

Risk Category	Risk
Financial risk	<p>The Company internally generated funds from operations in order to fund the development and acquisition of its long-term asset base. As part of this strategy, the Company obtains a portion of this necessary capital by incurring debt and therefore the Company is dependent to a certain extent on continued availability of the credit markets. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. The level of The Company's indebtedness from time to time could impair the Company's ability to obtain additional financing in the future to take advantage of business opportunities that may arise.</p> <p>The continued availability of the credit markets for the Company is primarily dependent on the state of the economy and the health of the oil and natural gas and banking industries in Canada and the United States. There is risk that if the economy and banking industry experience unexpected and/or prolonged deterioration, the Company's access to credit markets may contract or disappear altogether. The Company tries to mitigate this risk by dealing with reputable lenders and tries to structure its lending agreements to give it the most flexibility possible should these situations arise. However, situations that give rise to credit market tightening or disappearing are largely beyond the Company's control.</p>
Dilution Risk	<p>The Company currently has 4,373,125,551 Shares on issue. Pursuant to the Offer, the Company proposes to issue a further 2,186,562,776 Shares, meaning that existing Shareholders will retain approximately 49.6% of the Company's issued Share capital and investors under the Offer will hold approximately 50.4% of the Company's issued Share capital.</p>
Commodity Price Volatility	<p>The Company's liquidity and funds from operations is largely impacted by oil, NGLs and natural gas commodity prices. Oil and natural gas prices fluctuate in response to changes in the supply and demand for crude oil and natural gas, market uncertainty and a variety of additional factors that are largely beyond the Company's control. Prices varied considerably throughout 2019 and 2020. There was a significant decline in prices during the second quarter of 2020 which continued to lead to depressed prices of crude oil and natural gas. Decreases in crude oil and natural gas prices typically result in a reduction of the Company's net production revenue and may change the economics of producing from some wells, which could result in a reduction in the volume of the Company's reserves. Any substantial declines in the prices of crude oil or natural gas could also result in delay or cancellation of existing or future drilling, development or construction programs or the curtailment of production.</p>

Risk Category	Risk
	<p>All of these factors could result in a material decrease in the Company's net production revenue, funds from operations and profitability and have a Material Adverse Effect on the Company's operations, financial condition and proved reserves and the level of expenditures for the development of its oil and natural gas reserves, causing a reduction in its oil and gas acquisition and development activities.</p> <p>Crude oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, Organization of the Petroleum Exporting Countries ("OPEC") actions, sanctions imposed on certain oil producing nations by other countries and ongoing credit and liquidity concerns. Volatile crude oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for crude oil and natural 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, development and exploitation projects.</p>
<p>Uncertainty of reserves estimates</p>	<p>There are a number of uncertainties inherent in estimating the quantities of reserves and resources, including many factors beyond the control of the Company. In general, estimates of economically recoverable oil, NGLs and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as commodity prices, historical production from the properties, the assumed effects of regulation by government agencies and future operating costs, all of which may vary considerably from actual results. For these reasons, estimates of the economically recoverable oil, NGLs 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 therefrom, prepared by different engineers or by the same engineer at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Company with respect to these reserves will vary from such estimates, and such variances could be material. Estimates with respect to proved plus probable 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 will result in variations, which may be substantial, in the estimated</p>

Risk Category	Risk
	<p>reserves. Consistent with the Canadian securities disclosure legislation and policies, the Company has used forecast prices and costs in calculating reserve quantities. Actual future net cash flows also will be affected by other factors such as actual production levels, supply and demand for oil, NGLs and natural gas, curtailments or increases in consumption by oil, NGLs and natural gas purchasers, changes in government regulations or taxation and the impact of inflation on costs. NI 51-101 requires the inclusion of the following statement in estimates of future net revenues based on reserves estimates; "estimates of future net revenues, whether discounted or not, does not represent fair market value".</p>
Counter party risk	<p>The Company assumes customer credit risk associated with oil, NGLs and natural gas sales and joint venture participants. To mitigate this risk, the Company performs regular reviews of receivables to minimize default or non-payment and takes the majority of its production in kind</p>
Costs and availability of equipment and services	<p>Inflation is a risk common to all businesses in Canada. During times of high commodity prices for oil, NGLs and natural gas, there is a risk of substantially increased costs of operation, which impacts both the amount of capital required to perform operations and the netback the Company achieves from its production sales. 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 the Company and may delay exploration and development activities. To the extent the Company is not the operator of its oil, NGLs and natural gas properties, the Company will be dependent on other operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators. Although the Company strives for continuous improvement in its planning, operations and procurement of materials, unexpected changes in the market for such equipment and services could negatively affect the Company's financial performance.</p>
Delays in business operations	<p>In addition to the usual delays in payments by purchasers of oil, natural gas liquids and natural gas to the Company or to the operators, and the delays by operators in remitting payment to the Company, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of funds from</p>

Risk Category	Risk
	operations available for the business of the Company in a given period and expose the Company to additional third-party credit risks.
Expiration of licences and leases	The Company's properties are held in the form of licences and leases and working interests in licences or leases held by others. If the Company or the holder of the licence or lease fails to meet specific requirements of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of licences or leases may have a Material Adverse Effect on results of operations and the business of the Company. To mitigate this risk, the Company carefully monitors its undeveloped land position and plans operations in order to keep key licences and leases from terminating or expiring.
Counterparty credit risk	The Company assumes customer credit risk associated with oil, natural gas liquids and natural gas sales and joint venture participants. To mitigate this risk, the Company performs regular reviews of receivables to minimize default or non-payment and takes the majority of its production in kind.
Availability of processing and pipeline capacity	The Company's Assets are subject to deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and the possible inability to secure space on gathering systems that deliver production to processing facilities and on pipelines which deliver oil and natural gas to commercial markets. The majority of the Company's production is reliant on third party infrastructure prior to it being ready for transfer at designated commodity sales points. There is a risk that this infrastructure could fail and cause a significant portion of the Company's production to be shut-in and unable to be sold, which could have a Material Adverse Effect on available funds from operations. The Company mitigates this risk by purchasing contingent business interruption insurance policies for its significant third-party infrastructure.
Variations in foreign exchange rates and interest rates	The Company is exposed to foreign currency fluctuations as its Canadian revenues are strongly linked to United States dollar denominated benchmark prices. The Company has not hedged any of its foreign exchange risk at the date hereof. An increase in interest rates could result in a significant increase in the amount the Company pays to service its debt, which could negatively impact the market price of the Company's shares.
Exploration, development and production	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 the Company's Assets

Risk Category	Risk
	<p>depends 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 the Company may have at any particular time and the production therefrom, will decline over time as such existing reserves are exploited.</p> <p>Hydraulic fracturing involves the injection of fluid, sand and additives under pressure into rock formations to improve or encourage hydrocarbon production. The use of hydraulic fracturing is necessary to produce commercial quantities of natural gas and oil from many reservoirs. The Company anticipates that federal and provincial regulatory frameworks to address concerns related to hydraulic fracturing will continue to emerge. The implementation of new regulations with respect to water usage of hydraulic fracturing generally could lead to operational delays, as well as increase costs of compliance, its operating costs, and may negatively impact the Company's prospects, any of which could have a material adverse effect on the business, financial condition and results of operations. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that is ultimately able to produce from its reserves. The Company conducts its fracturing operations with reputable service providers, with due regard for the potential impact on the environment and closely monitors and complies with the regulatory regime.</p> <p>The Company's operations remain subject to the risk that the production rate of significant wells may decrease in an unpredictable and uncontrollable manner, which could result in a material decrease in overall production and associated funds from operations.</p>
Management of growth	<p>The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. An inability of the Company to effectively deal with this growth could have a Material Adverse Effect on its business, operations and business prospects. Management mitigates this risk by continually implementing appropriate procedures and policies for its size, upgrading its systems, training its employees and providing effective supervision and management of its staff.</p>

7.3 Industry specific risks

Risk Category	Risk
Development and exploration costs	<p>The exploration costs of the Company as summarised in Section 5.6 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>
Resource reserves and exploration targets	<p>Reserve and resource estimates are expressions of judgement based on knowledge, experience, interpretation and industry practice. Estimates which were valid when initially calculated may alter significantly when new information or techniques become available. In addition, by their very nature resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.</p> <p>There are a number of uncertainties inherent in estimating the quantities of reserves and resources, including many factors beyond the control of the Company. In general, estimates of economically recoverable oil, natural gas liquids and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as commodity prices, historical production from the properties, the assumed effects of regulation by government agencies and future operating costs, all of which may vary considerably from actual results. For these reasons, estimates of the economically recoverable oil, natural gas liquids 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 therefrom, prepared by different engineers or by the same engineer at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures with respect to these reserves will vary from such estimates, and such variances could be material.</p> <p>Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, then reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations. Where possible, the Company will seek to have any such estimates verified or produced by an independent party with sufficient expertise in their chosen field.</p>

Risk Category	Risk
Grant of future authorisations to explore and mine	<p>If the Company discovers an economically viable oil and gas resource and reserve that it then intends to develop, it will, among other things, require various approvals, licence and permits before it will be able to produce the resource and reserve. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
Development of Assets	<p>Possible future development of operations at the Assets is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable oil and gas resources and reserves, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>The Company's production activities/operations on one or more of its Assets, may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Assets.</p> <p>The risks associated with the development of a mine will be considered in full should the Assets reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Oil and gas operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities</p>

Risk Category	Risk
	<p>could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or drilling activities.</p>
Seasonality	<p>The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. A mild winter or wet spring may result in limited access and, as a result, reduced operations or a cessation of operations. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil, NGLs and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in drilling and production activity.</p>
Regulatory Compliance Risks	<p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned development projects.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining</p>

Risk Category	Risk
	necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Assets.
Aboriginal claims	Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. The Company is not aware that any claims have been made in respect of the Assets; however, if a claim arose and was successful, it could have a Material Adverse Effect on the Company and its operations.

7.4 General risks

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>

Risk Category	Risk
Economic	<p>General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the Assets may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company and its valuation regardless of its actual performance.</p>
Competition risk	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Market conditions	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of oil and gas companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p>
Commodity price volatility and exchange rate risks	<p>It is anticipated that any future revenues of the Company, other than sales of assets, will be derived from the sale of oil and/or natural gas and exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for including supply levels of the product, the level of</p>

Risk Category	Risk
	<p>consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic, political developments and other macro-economic factors.</p> <p>The market price of hydrocarbon products is volatile and outside the control of the Company. Oil and gas prices have fluctuated widely in recent years. If the price of hydrocarbons should drop significantly and remain depressed, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if significant quantities of hydrocarbon products are discovered, a profitable market may exist for their sale.</p> <p>The marketability of hydrocarbons is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of oil and gas and petroleum products, the effect of which cannot be accurately predicted. Restrictions on the Company's ability to market production from projects that the Company has an interest in may have a material adverse effect on the Company's overall financial performance.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian and Canadian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian and Canadian dollars as determined in international markets.</p>
Government policy changes	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, oil and gas production, development and exploration activities of the Company. It is possible that the current system of exploration and production permitting in Alberta, Canada may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
Natural disasters, terrorist attacks, civil unrest, pandemics and other disruptions may adversely impact the Company	<p>Upon the occurrence of a natural disaster, or upon an incident of war, riot or civil unrest, the impacted country, province, or region may not efficiently and quickly recover from such event, which could have a materially adverse effect on the Company, its customers, and/or either of their businesses or operations. Terrorist attacks, public health crises including epidemics, pandemics or outbreaks of new infectious disease or viruses (including, most recently, the novel coronavirus (COVID-19), civil unrest and related events can result in volatility and disruption to local and global supply chains, operations,</p>

Risk Category	Risk
	mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to the Company, its customers, and/or either of their businesses or operations.
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
Force Majeure	The Company's projects now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Litigation Risks	The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.

7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

8. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

8.1 Directors and key personnel

The Board of the Company consists of:

(a) **Duncan Gordon (B. Eng)** – *Non-Executive Chair*

Mr Gordon is a founder and co-principal of Adelaide Equity Partners Limited and has extensive experience in as a corporate and financial advisor to the mining and natural resources sector. Duncan has taken principal roles in advising ASX-listed companies on a range of corporate matters including identification of major corporate acquisition and divestment opportunities; Initial Public Offerings; raising debt and raising equity capital both within and outside Australia. The Board considers that Duncan is an independent Director.

(b) **Matthew White (ACA, B.Accg)** – *Non-Executive Director*

Mr White has over 28 years' experience as a Chartered accountant, business and tax advisor. He has over 13 years' experience as a registered mortgage broker and 5 years' experience as a financial planner. Matthew has a degree in Accountancy from the University of South Australia and has completed the Chartered Accountancy qualification with Certificates of Merit in Taxation and Ethics. He also has a diploma in mortgage broking and financial planning. He is currently a Director of ASX-listed company Aerometrex Limited (AMX). The Board considers that Matthew is an independent Director.

(c) **Tino Guglielmo (B.Eng (Mech) 1981; FIEAust, MSPE, MAICD)** – *Non-Executive Director*

Mr Guglielmo is the Managing Director of Bass Oil Limited. He is a well credentialed Petroleum Engineer with over 40 years of technical, managerial and senior executive experience in Australia and internationally. He is the previous Managing Director of two Cooper Basin focused ASX-listed oil and gas companies (Stuart Petroleum and Ambassador Oil & Gas) which were both sold, creating significant shareholder value. His experience spans the Indonesian, Australian and US land-based Basins. The Board considers that Tino is an independent Director.

Key management

Dr Simon Brealey (BSc (Hons) Geology (1987); PhD Oil field Geology (1991); University of London) – *Interim Chief Executive Officer*

Dr Brealey has over 30 years of experience in onshore and unconventional oil and gas asset exploration and development with companies including Amoco Limited, Santos Limited, Beach Energy Limited and Cooper Energy Limited in Australia, Europe, Asia and Africa. He was most recently Head of New Ventures at Bass Oil Limited and holds a Ph.D. in oil field geology from the University College, University of London.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Company has, or will in the future have, an interest and the Board will continually monitor the management roles in the Company. As the Company's Projects requires an increased level of involvement the Board will

look to appoint additional management and/or consultants when and where appropriate to ensure proper management of the Company's Projects.

8.2 Disclosure of interests

Remuneration

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021	Proposed remuneration for year ending 30 June 2022
Directors			
Duncan Gordon ¹	-	\$18,333	\$50,000
Matthew White ²	-	\$18,333	\$50,000
Tino Guglielmo ³	-	-	\$50,000

Notes:

1. Appointed on 3 March 2021
2. Appointed on 3 March 2021
3. Appointed on 8 July 2021

Interests in Securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities, together with their respective Entitlement, as follows:

Director	Shares	Options ³	Share Entitlement	Option Entitlement
Duncan Gordon ¹	41,926,237	-	20,963,119	10,481,560
Matthew White	-	-	-	-
Tino Guglielmo ²	50,000,000	25,000,000	25,000,000	12,500,000

Notes:

1. Held in the name of Chesser Nominees Pty Ltd of which Mr Gordon is a Director. Mr Gordon intends to take up to 10,000,000 Shares under the offer, being part of his Entitlement.
2. Held in the name of Miller Anderson Pty Ltd ATF Longhorn Ridge Superannuation account. Mr Guglielmo is a Director of Miller Anderson Pty Ltd and sole beneficiary of Longhorn Ridge Superannuation account. Mr Guglielmo intends to take up to 10,000,000 Shares under the Offer, being part of his Entitlement.
3. Excludes the Options that are to be issued to the Directors pursuant to the Shareholder approval that the Company obtained at its Annual General Meeting that was held on 25 February 2022

The Board recommends all Shareholders take up their Entitlements.

8.3 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 9.2.

8.4 Corporate governance

(a) **ASX Corporate Governance Council Principles and Recommendations**

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.whitebarkenergy.com.

(b) **Board of Directors**

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully informed basis.

(c) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and

values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of three Non-Executive Directors of whom all are considered independent. The Board considers the current balance of skills and expertise to be appropriate given the Company for its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) **Independent professional advice**

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) **Remuneration arrangements**

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of Non-Executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed \$300k per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) **Trading policy**

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) **Audit committee**

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) **Diversity policy**

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(l) **Departures from Recommendations**

Under the ASX Listing Rules the Company is required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

9. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

9.1 Corporate Advisory Mandate

The Company has signed a mandate letter to engage Adelaide Equity Partners Limited to provide corporate advisory and investor relations services in relation to the Offer (**Corporate Advisory Mandate**). The material terms and conditions of which are summarised below:

Term	Unless the Corporate Advisory Mandate is terminated pursuant to its terms, AEP was engaged by the Company on 9 February 2022 for a three month term (Term) to provide the Services (as defined below).
Services	<ul style="list-style-type: none">(a) AEP has agreed to provide the following services in relation to the Offer:(b) assisting the Company in dealings with counterparties involved in the Offer;(c) providing the Company with an assessment of the Offer, its impact on the Company and evaluations from a financial market and peer perspective;(d) advising on the most appropriate method of funding including valuation, structure and amount to be raised with accompanying financial analysis;(e) funding strategy and timetable;(f) assisting the Company with preparation and marketing of investor roadshows, investor briefings, investor presentations and public announcements as required;(g) providing assistance to the Company including leading discussions with current shareholders, new investors, brokers and institutions in relation to the Offer; and(h) providing the Company with such other advice and assistance as may be agreed from time to time.
Fees	The Company has agreed to pay AEP: <ul style="list-style-type: none">(a) a monthly retainer of \$7,500 per month (plus GST) during the Term; and(b) a fee equal to 6% of the amount raised under the Offer.
Exclusivity	The Company agrees to provide AEP with exclusivity in respect to the Services during the Term.
Termination	Either party may terminate the Corporate Advisory Mandate at any time by written notice to the other.

The Corporate Advisory Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Agreements with Directors and management

9.2.1 Simon Brealey

On 1 March 2022, the Company entered into an executive services agreement with Mr Simon Brealey (Services Agreement). The Services Agreement sets out the terms and conditions of the Company's appointment of Mr Brealey as its interim Chief Executive Officer.

The material terms of the Services Agreement are as follows:

Term	Mr Brealey term as the Company's interim CEO commenced on 29 April 2021 (Commencement Date) and will continue until the CEO ESA is terminated on its terms (Term).
Salary	Throughout the Term, Mr Brealey will be paid a monthly fee of \$10,000 (exclusive of GST) and such further amounts as may be mutually agreed from time to time for exceptional levels of services in any given month.
Services	Mr Brealey must provide a minimum of 100 hours of services per month to the Company.
Termination	The termination provisions in the Services Agreement are on standard commercial terms and generally require a 30 day minimum period of notice prior to termination.

The Services Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2.2 Non-executive Director appointments

Duncan Gordon, Matthew White and Tino Guglielmo have entered into appointment letters with the Company to act in the capacity of Non-Executive Chairman, and Non-Executive Director respectively. These Directors will receive the remuneration set out in Section 8.2.

9.2.3 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors and Mr Brealey. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

10. ADDITIONAL INFORMATION

10.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Options offered under the Offer

(a) **Entitlement**

Each Option entitles the holder to subscribe for 1 Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.004 (**Exercise Price**).

(c) **Expiry Date**

Each Option:

- (i) issued pursuant to the Offer will expire at 5:00 pm (ACST) on the three-year anniversary of its date of issue; and
- (ii) to be issued to the Directors and the CEO pursuant to the approval of Shareholders at the Company's Annual General Meeting that was held on 25 February 2022 shall expire at 5:00pm (ACST) on 31 January 2024,

(each being an **Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the latter of the following:

- (i) Exercise Date; and
- (ii) When excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

But in any case, not later than 20 Business Days after the Exercise Date, the Company will:

- (iii) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 11.3(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.4 Employee Share Option Plan

(a) **Eligibility:** Participants in the Plan may be:

- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (Group Company);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (Class Order); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Options under the Plan (Participants).

(b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Participant (including a Participant who has previously received an offer) to apply for up to a specified number of Options, upon

the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.
- (e) **Vesting Conditions:** An Option may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant, resolve to waive any of the Vesting Conditions applying to Options due to:
 - (i) the Participant ceasing to be a Participant due to death or total and permanent disability;
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of an Option:** An Option will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in the Option;
 - (ii) a Vesting Condition in relation to the Option is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to vest the Option (e.g. due to death, total and permanent disability);
 - (iii) in respect of unvested Option only, a Participant ceases to be a Participant, unless the Board exercises its discretion to vest the Option (e.g. due to death, total and permanent disability) or allow the unvested Options to remain unvested after the relevant person ceases to be a Participant;
 - (iv) in respect of vested Options only, a relevant person ceases to be a Participant and the Option granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be a Participant;
 - (v) the Board deems that an Option lapses due to fraud, dishonesty or other improper behaviour of the Participant;

- (vi) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Option; and
 - (vii) the expiry date of the Option.
- (h) **Not transferrable:** Options are only transferrable with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death to the participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Cashless Exercise:** If a Participant wishes to exercise some or all of the Options, that Participant may elect to pay the exercise price or use the cashless exercise facility under the Plan, subject to Board approval. The cashless exercise facility enables the Participant to set-off the exercise price against the number of Shares the Participant is entitled to receive upon exercise of the Options. In that case, the Participant will be issued or transferred that number of Shares equal to the aggregate total Option exercise price otherwise payable less the total aggregate market value of Shares that would otherwise be issued on exercise of the Options divided by the market value of the Share. The market value is based on a 5 trading day VWAP before the exercise.
- (j) **Cash Payment:** Where all vesting conditions have been satisfied, the Board may in its absolute discretion in lieu of issuing or transferring a Share to the Participant on exercise of the Option, pay the Participant a cash payment for the Option exercised, being a cash amount equal to the current market value of a Share less the option exercise price in respect of the Option. The market value is based on a 5 trading day VWAP before the cash payment.
- (k) **Shares:** Shares resulting from the exercise of the Options shall, subject to any Sale Restrictions (refer below) from the date of issue, rank on equal terms with all other Shares on issue.
- (l) **Quotation of Shares:** If Shares of the same class as those issued upon exercise of Options issued under the Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any restriction period applying to the disposal of Shares ends.
- (m) **Share Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Options, that a restriction period will apply to some or all of the Shares issued to a Participant (or their eligible nominee) on exercise of those Options up to a maximum of seven (7) years from the grant date of the Options.
- (n) **No Participation Rights:** There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (o) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Option are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

- (p) **Amendments:** Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may at any time by resolution amend or add to all or any of the provisions of the Plan, or the terms or conditions of any Option granted under the Plan including giving any amendment retrospective effect.
- (q) **Change of Control means:**
 - (i) a bona fide Takeover Bid is declared unconditional and the bidder has acquired a Relevant Interest in at least 50.1% of the Company's issued Shares;
 - (ii) a court approves, under section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - (iii) in any other case, a person obtains Voting Power in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

10.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

10.6 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offer.

KD Angus Corp has acted as Independent Geologist and has prepared the Independent Geotechnical Report which is included in Annexure A. The Company estimates it will pay KD Angus Corp a total of \$11,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, KD Angus Corp has received \$26,000 in fees from the Company for Independent Geologists Report.

UHY Haines Norton Corporate Finance Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Annexure C. The Company estimates it will pay UHY Haines Norton Corporate Finance Pty Ltd a total of \$35,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, UHY Haines Norton has not received fees from the Company for audit services or other services.

UHY Haines Norton has also been appointed as the Company's auditor effective 25 February 2022. The Company estimates it will pay UHY Haines Norton a total of \$56,000 (excluding GST) for these services.

During the 24 months preceding lodgement of this Prospectus with the ASIC, KPMG was the Company's auditor and has received \$285,558 in fees from the Company for audit services.

Adelaide Equity Partners Limited will receive 6% of the total amount raised under the Prospectus (plus GST) following the successful completion of the Offer for its services as AEP to the Offer. AEP will be responsible for paying all capital raising fees that AEP and the Company agree with any other financial service licensees. Further details in respect to the Corporate Advisory Mandate with AEP are summarised in Section 9.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, AEP has received a total of \$68,416 (excluding GST) and 8,592,904 Shares from the Company for corporate advisory services and a total of \$161,013 (excluding GST) for capital raising services.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$25,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$30,201 (excluding GST and disbursements) for legal services provided to the Company.

Jamieson Laurin + Co has acted as the Canadian legal advisers to the Company in relation to the Offer. The Company has paid Jamieson Laurin + Co \$10,000 (excluding GST) for Independent Solicitor's Report. Subsequently, fees will be charged in accordance with normal charge out rates.

10.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Kevin D Angus, P. Geoph, has given his written consent to being named as Independent Geologist in this Prospectus, the inclusion of the Independent Geotechnical Report in Annexure A in the form and context in which the report is included.

UHY Haines Norton Corporate Finance Pty Limited has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Annexure C in the form and context in which the information and report is included.

KPMG has given its written consent to being named as the Company's auditor in Section 6.2(b) in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Jamieson Laurin + Co has given its written consent to being named as the Canadian Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Adelaide Equity Partners Limited has given its written consent to being named as the Company's corporate advisor in this Prospectus.

10.8 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$261,577 for Minimum Subscription or \$378,739 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription (\$)	Maximum Subscription (\$)
ASIC fees	3,206	3,206
ASX fees	9,971	13,133
AEP Fees	150,000	264,000
Legal Fees ¹	35,000	35,000
Independent Geologist's Fees	11,400	11,400
Investigating Accountant's Fees	35,000	35,000
Printing and Distribution	3,000	3,000
Share Registry services	9,000	9,000
Miscellaneous	5,000	5,000
TOTAL	261,577	378,739

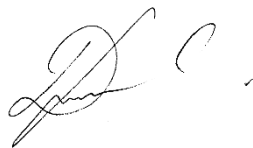
Notes:

1. Includes fees payable to the Company's Australian and Canada legal counsel.

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Duncan Gordon
Chairman
For and on behalf of
Whitebark Energy Limited

12. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

AEP means Adelaide Equity Partners Limited.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer and Reinstatement Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **Whitebark** means Whitebark Energy Limited (ACN 079 432 796).

Constitution means the constitution of the Company.

Corporate Advisory Mandate means the agreement with AEP summarised in Section 9.1.

Corporations Act means *the Corporations Act 2001* (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Eligible Shareholder means a Shareholder who is eligible to participate in the Offer as set out in Section 4.1 of this Prospectus.

Entitlement means the entitlement of an Eligible Shareholder.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Period has the meaning given in Section 10.3.

Exercise Price has the meaning given in Section 10.3.

Expiry Date has the meaning given in Section 10.3.

Ineligible Shareholder means a Shareholder determined by the Company, in consultation with AEP, not to be an Eligible Shareholder.

JORC Code has the meaning given in the Important Notice Section.

Maximum Subscription means the maximum amount to be raised under the Offer, being \$4,373,125.55.

Minimum Subscription means the minimum amount to be raised under the Offer and the Shortfall Offer, being \$2,500,000.

Notice of Exercise has the meaning given in Section 10.3.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 8.4.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Reinstatement means the reinstatement of the Shares to trading on the Official List.

Reinstatement Conditions are the conditions that are set out in Schedule 1 that the Company must satisfy for reinstatement of the Company's Shares to trading on the Official List to occur.

Section means a Section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.8 of this Prospectus.

SCHEDULE 1 – REINSTATEMENT CONDITIONS

- (a) Whitebark releasing a full form prospectus pursuant to section 710 of the Corporations Act 2001 (Cth) (**Prospectus**) in relation to the proposed capital raising of a minimum of \$2.5 million and up to \$4.4 million by way of an Entitlement Issue (**Capital Raising**).
- (b) Completion of the Capital Raising, including closure of the Prospectus and any shortfall offer and confirmation that Whitebark has reached minimum subscription under the Entitlement Issue.
- (c) Confirmation in a form acceptable to ASX that Whitebark has received cleared funds for the complete amount of the issue price of every security allotted and issued to every successful applicant for securities under the Capital Raising, including any shortfall offer.
- (d) Whitebark demonstrating compliance with Listing Rules 12.1 and 12.2, to the satisfaction of the ASX including
 - (i) Disclosing a use of funds table in the Prospectus demonstrating expenditure commitments on existing assets.
 - (ii) Disclosing a review of operations as at 31 December 2021.
 - (iii) Providing a 'working capital statement' similar to that required by listing rule 1.3.3(a) to the effect that following completion of the Capital Raising, Whitebark will have sufficient working capital at the time of reinstatement to carry out its activities.
 - (iv) Satisfying the 'working capital test' of at least \$1.5 million pursuant to Listing Rule 1.3.3(c).
- (e) Lodgement of all outstanding Appendices 3B with ASX for issues of new securities (if any).
- (f) Lodgement of any outstanding reports (if any) for the period since Whitebark's securities were suspended and any other outstanding documents required by Listing Rule 17.5, including the provision of an audit report or review report in the latest set of accounts provided to ASX and that report must not contain a modified opinion or other matter paragraph that ASX considers unacceptable.
- (g) Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys, or 3Zs, as required.
- (h) Reinstatement of Whitebark's CHESS sub-register (if applicable).
- (i) Confirmation that there are no legal, regulatory or contractual impediments to Whitebark undertaking the activities the subject of the commitments disclosed in the Prospectus.
- (j) Payment of any ASX fees, including listing fees, applicable and outstanding.
- (k) Confirmation the securities to be issued have been issued, and despatch of each of the following has occurred.
 - (i) In relation to all holdings on the CHESS subregister, a notice from Whitebark under ASX Settlement Operating Rule 8.9.1.

- (ii) In relation to all other holdings, issuer sponsored holding statements.
 - (iii) Any refund money.
- (l) Provision of the following documents, in a form suitable for release to the market.
- (i) A statement setting out the names of the 20 largest holders of each class of securities to be quoted, including the number and percentage of each class of securities held by those holders.
 - (ii) A distribution schedule of the numbers of holders in each class of security to be quoted, setting out the number of holders in the following categories.
 - (A) 1 - 1,000
 - (B) 1,001 - 5,000
 - (C) 5,001 - 10,000
 - (D) 10,001 - 100,000
 - (E) 100,001 and over
 - (iii) A statement confirming completion of the Capital Raising, closure of the Prospectus and that Whitebark has reached minimum subscription under the Entitlement Issue. A statement outlining Whitebark's capital structure.
 - (iv) Whitebark's pro forma balance sheet based on actual funds raised.
 - (v) Whitebark's updated statement of commitments based on actual funds raised.
 - (vi) A consolidated activities report setting out the proposed business strategy for Whitebark (including an update on the status of Whitebark's assets and the current activities with respect thereto).
 - (vii) A statement confirming that there are no legal, regulatory or contractual impediments to Whitebark undertaking the activities the subject of the commitments disclosed in the Prospectus.
 - (viii) Any further documents and confirmations ASX may determine are required to be released to the market as pre-quotation disclosure.
 - (ix) A statement confirming of the responsible person for the purposes of Listing Rule 1.1 condition 13.
 - (x) Confirmation that Whitebark is in compliance with the listing rules and in particular listing rule 3.1.
 - (xi) The conditions referred to above subject to any other information or condition imposed or required by ASX including, but not limiting the generality of the foregoing, in relation to any issues that may arise from ASX's review of the Prospectus.



December 30, 2021

Whitebark Energy
PO Box 4118
Norwood South SA 5067

Attention: Simon Brealey

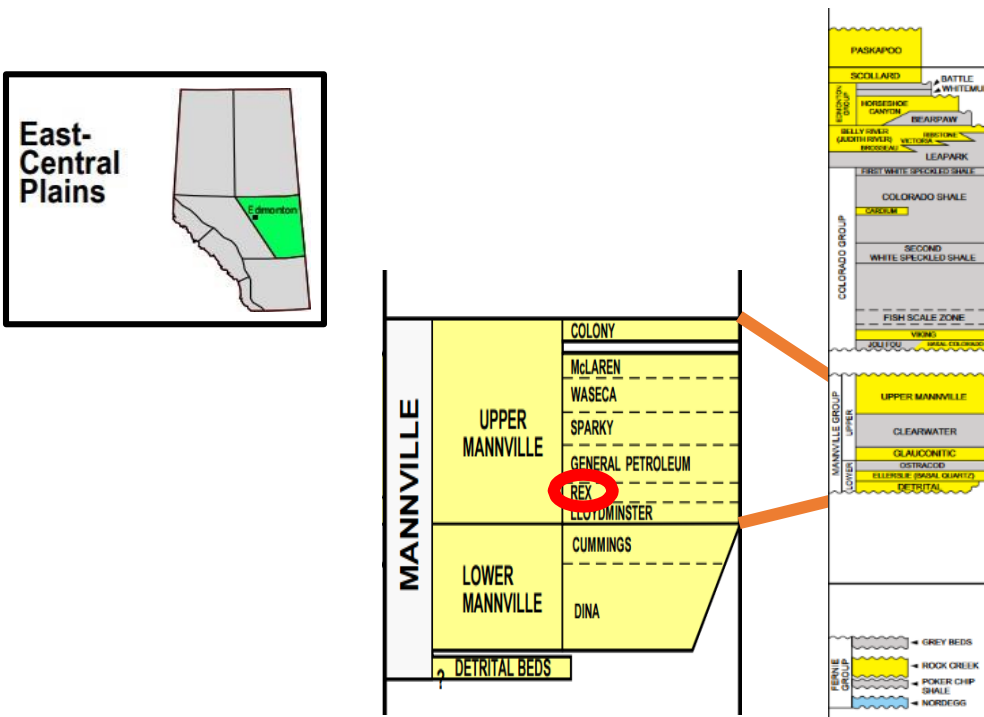
Re: Independent Geotechnical Report

Mr. Brealey

As per your request, please find below a geotechnical summary of Wizard Lake Oil Pool and surrounding area in central Alberta, Canada. Rex Energy, a wholly owned subsidiary of Whitebark Energy holds rights to 6400 acres and has three producing horizontal wells on the property. This report has been prepared for the inclusion in a prospectus for a Non-Renounceable Entitlement Rights as per the request of Simon Brealey.

The information in this report based largely on public domain data and interpretations of that data by Rex Energy. The Wizard Lake Oil Pool is located in Twp 47-48, R 27W4M in Alberta, Canada. The reservoir is in Cretaceous Upper Mannville Rex Member and occurs at vertical depth of approximately 1415m.

Figure 1 Stratigraphic Chart



The Cretaceous Mannville Group

The earliest deposits of the Mannville Petroleum System are dominated by deltaic/coastal plain sedimentation and are characteristically coal rich. The western Upper Mannville sandstones are composed predominantly of a volcanic/feldspathic suite of minerals. To the east the Upper Mannville also includes more quartzose sandstones derived from the Precambrian Shield. Near the Central Highlands these lithofacies may interfinger, becoming highly quartzose in the east. The Rex Sand is underlain by the Glauconitic Sands (incised valley deposits), the main producing horizon of the Mannville. This represents a light oil exploration play at Wizard Lake. Note: The upper Mannville is undifferentiated in Figure 2.

Figure 2 Depositional Environments

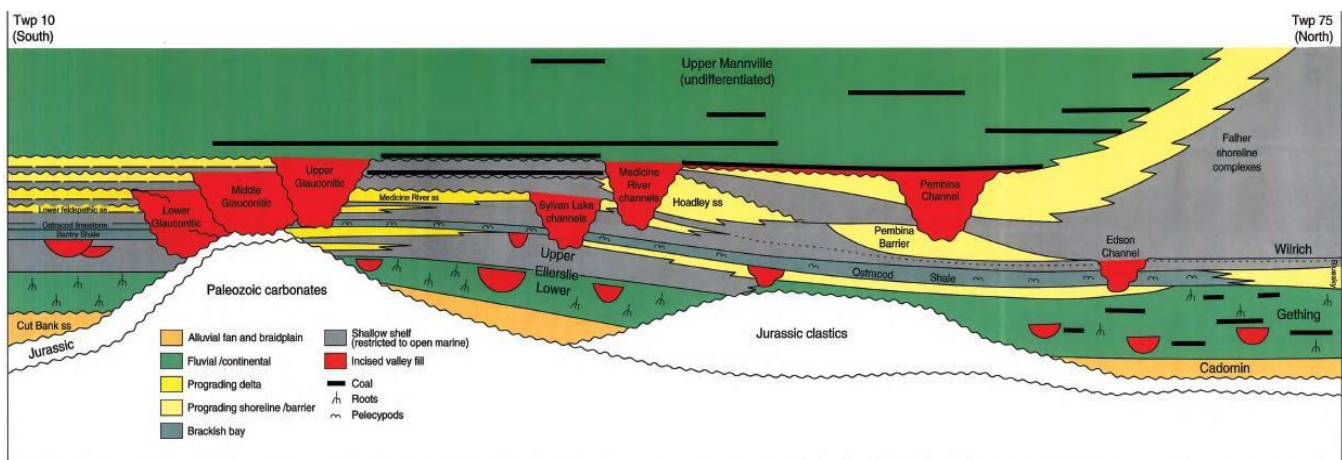
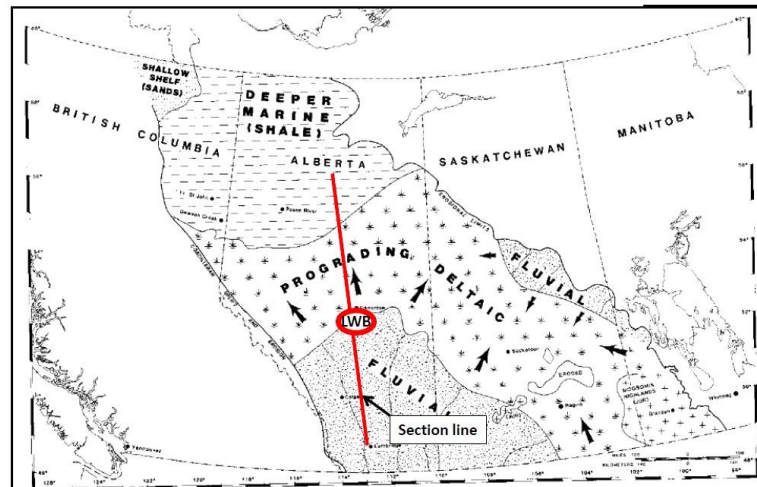


Figure 19.11 Schematic cross section M-M', showing approximate stratigraphic framework of the Mannville Group in southern and western Alberta. In southern Alberta, many Lower Mannville and Glauconitic sandstones fill valleys incised into older continental and brackish water strata. In central Alberta, a series of marine sandstones (Ellerslie, Ostracod, Bluesky and Glauconitic) are incised locally by mud- and sand-filled valleys. See Discussion for more detailed consideration of these correlations.

Figure 3 Upper Mannville correlations

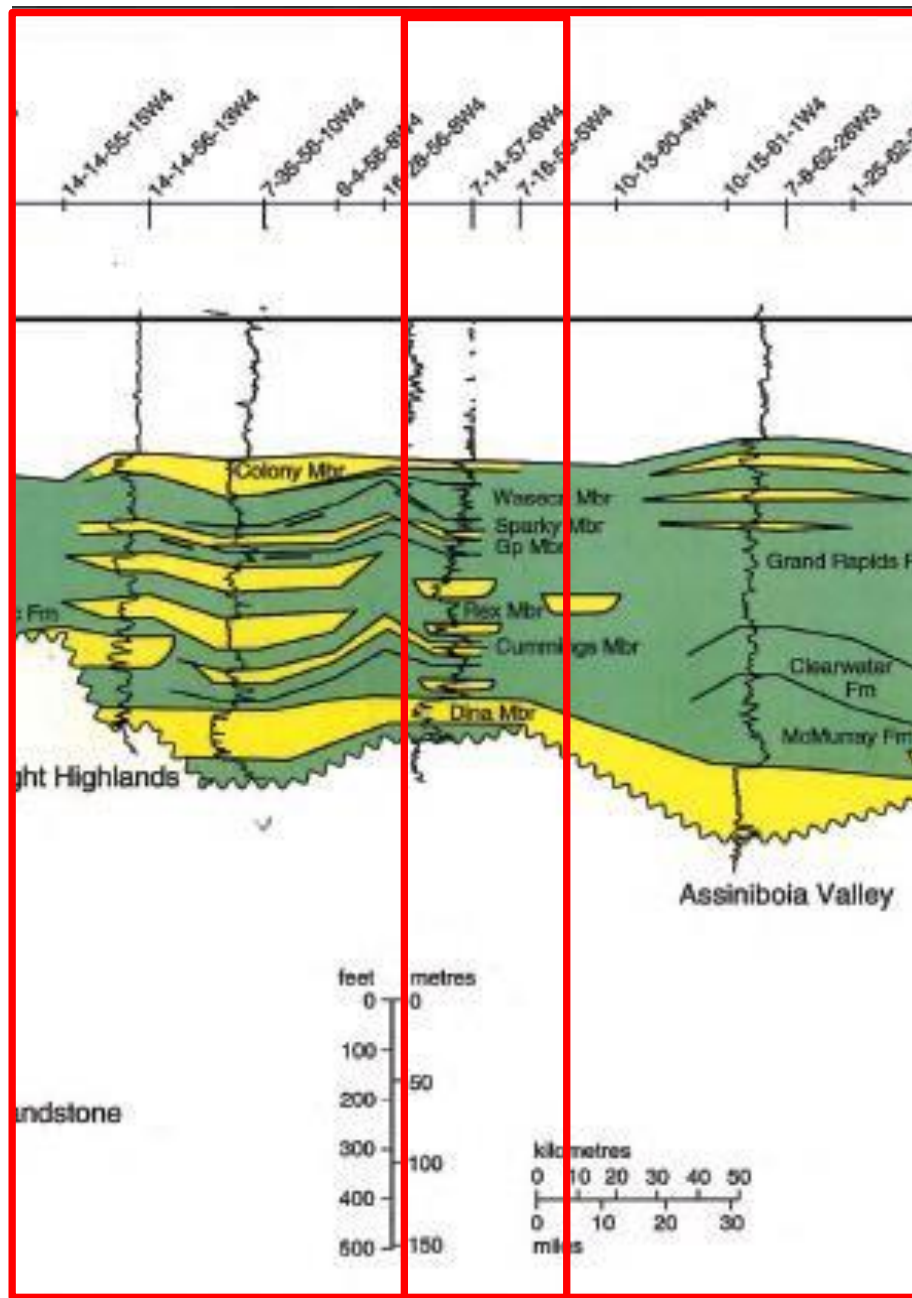


Figure 3 illustrates the stratigraphy of the upper Mannville with the Wizard Lake Oil and Gas field highlighted. The Rex Member is also referred to as Lower Sparky in some reports.

Figure 4 Wizard Lake and adjacent Rex/Sparky oil pools

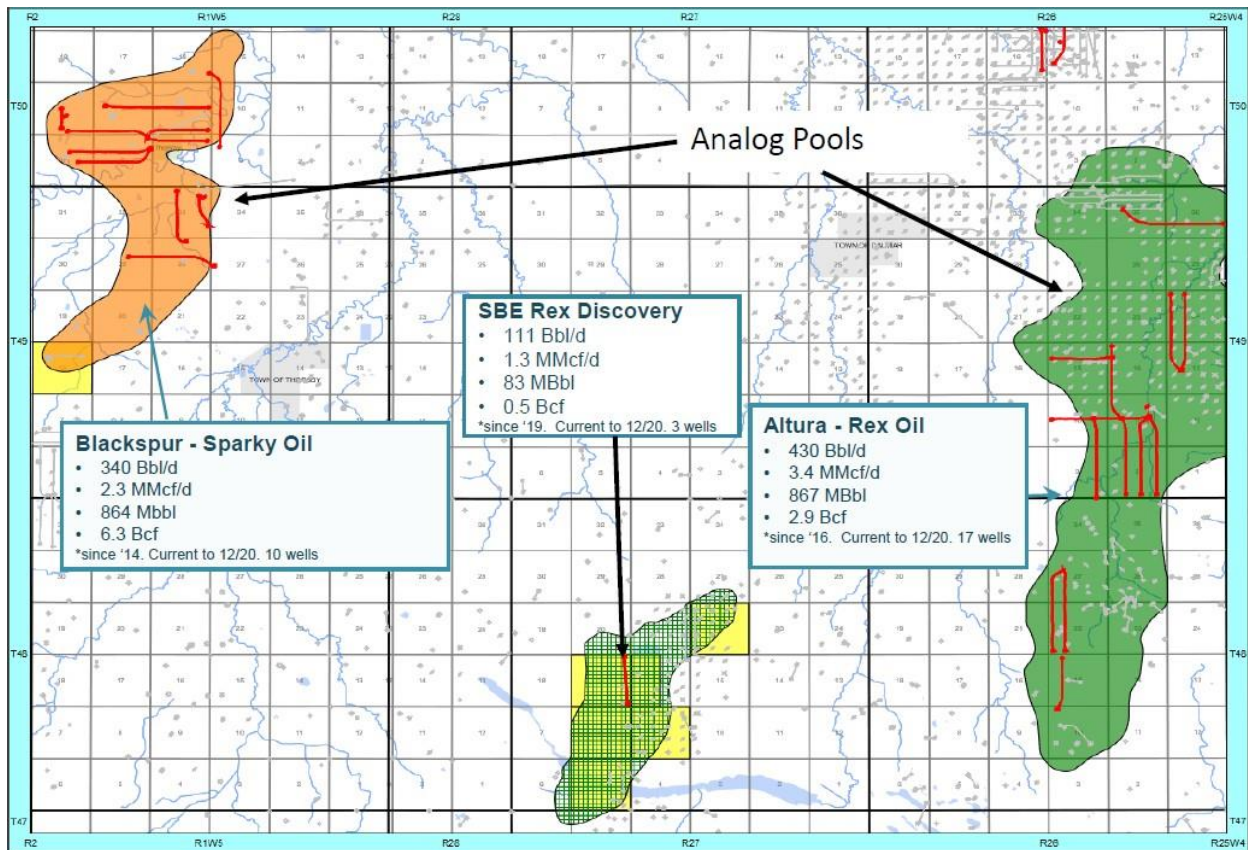
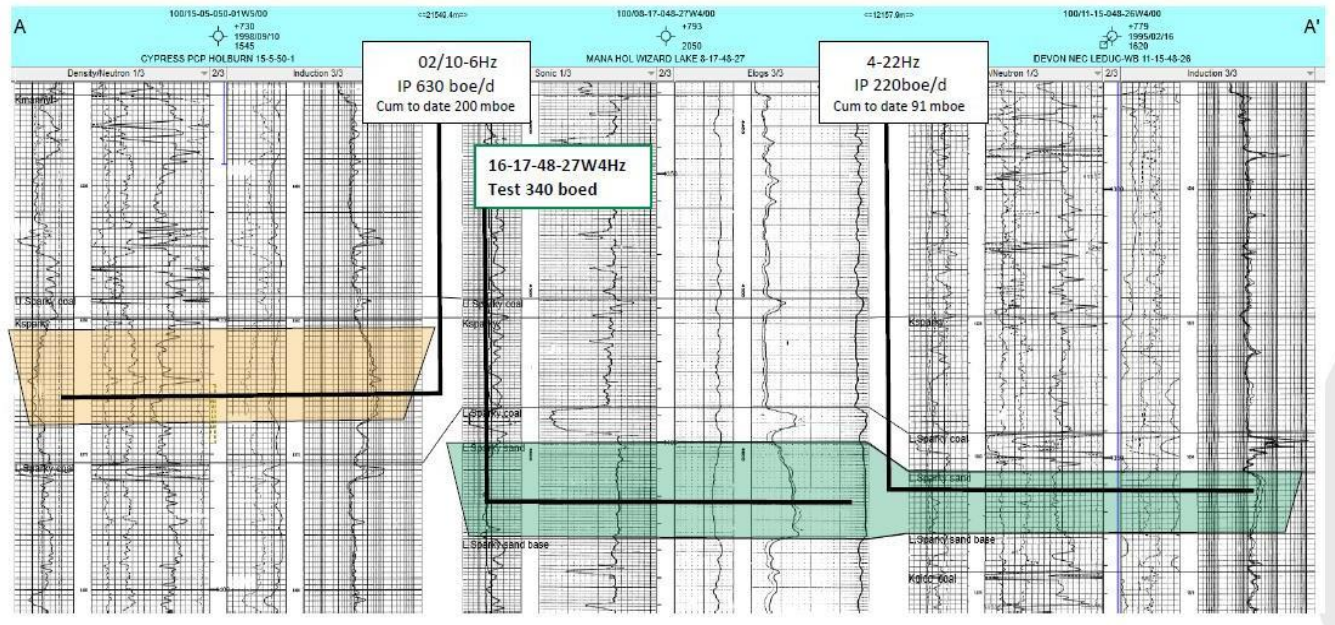


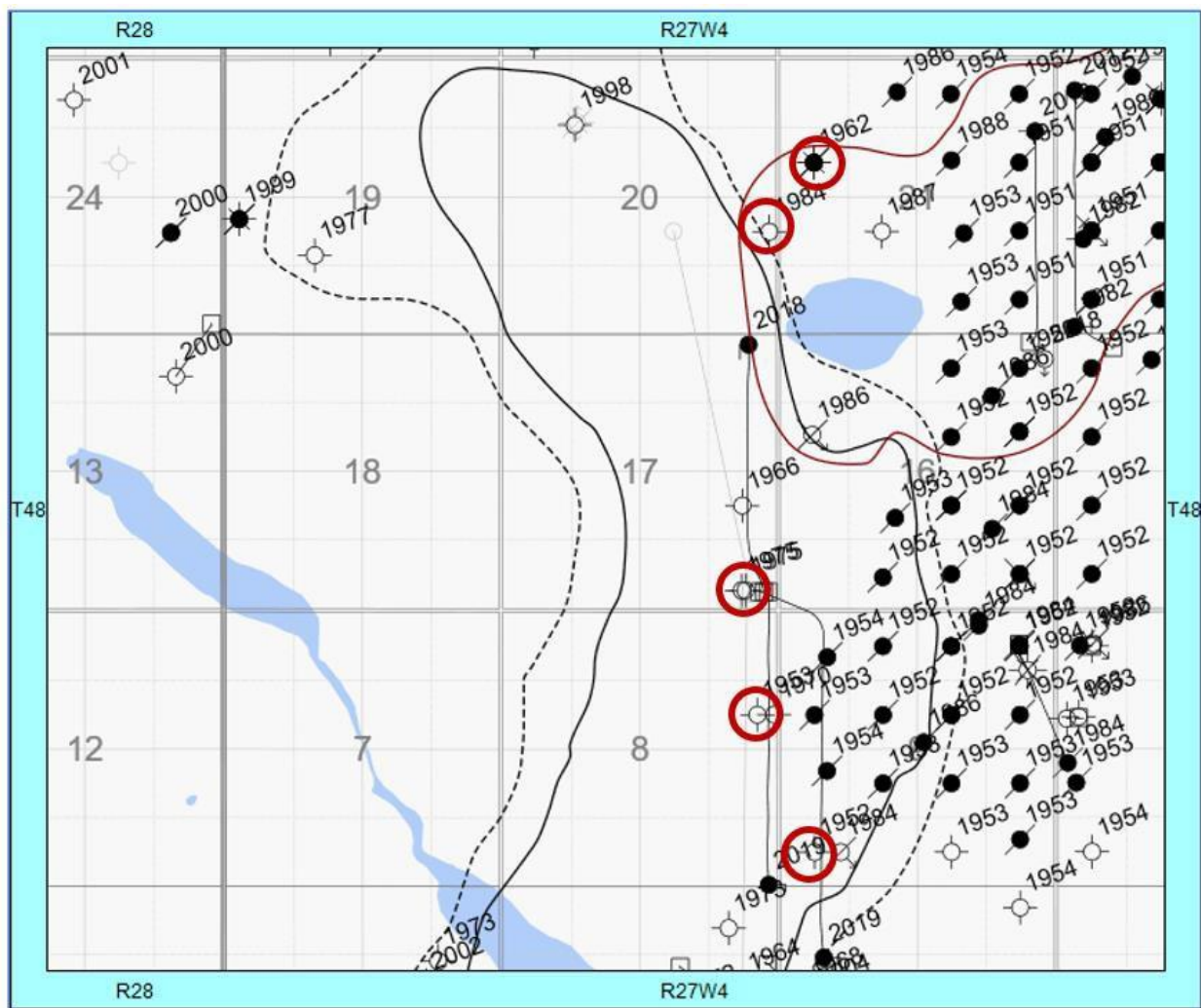
Figure 4 illustrates Wizard Lake and both the Calima (formerly Blackspur) and the Tenzan (formally Altura) Upper Mannville oil pools. The Tenzan pool is in the Rex Member and the Calima pool is in the Sparky member. The more analogous geology is however in the Calima pool. The Rex Member is the Tenzan area is mainly deltaic and as such has higher lithic content and averages only 6m in thickness. The Sparky in the Calima area is more of a channel facies, as is the Rex at Wizard and both have similar average thickness of 15m. Oil in the Wizard Lake pool is 15 – 17API.

Figure 5 Cross section through the Calima, Wizard Lake and Tenzan oil pools



The above cross section illustrates the stratigraphic position and shows the relative thicknesses of the reservoirs in each of the oil pools. Even though the Calima pool is slightly younger stratigraphically than the Rex Sandstone pool at Wizard Lake, the geology is more similar to Wizard Lake than to the Rex Sandstone in the Tenzan pool.

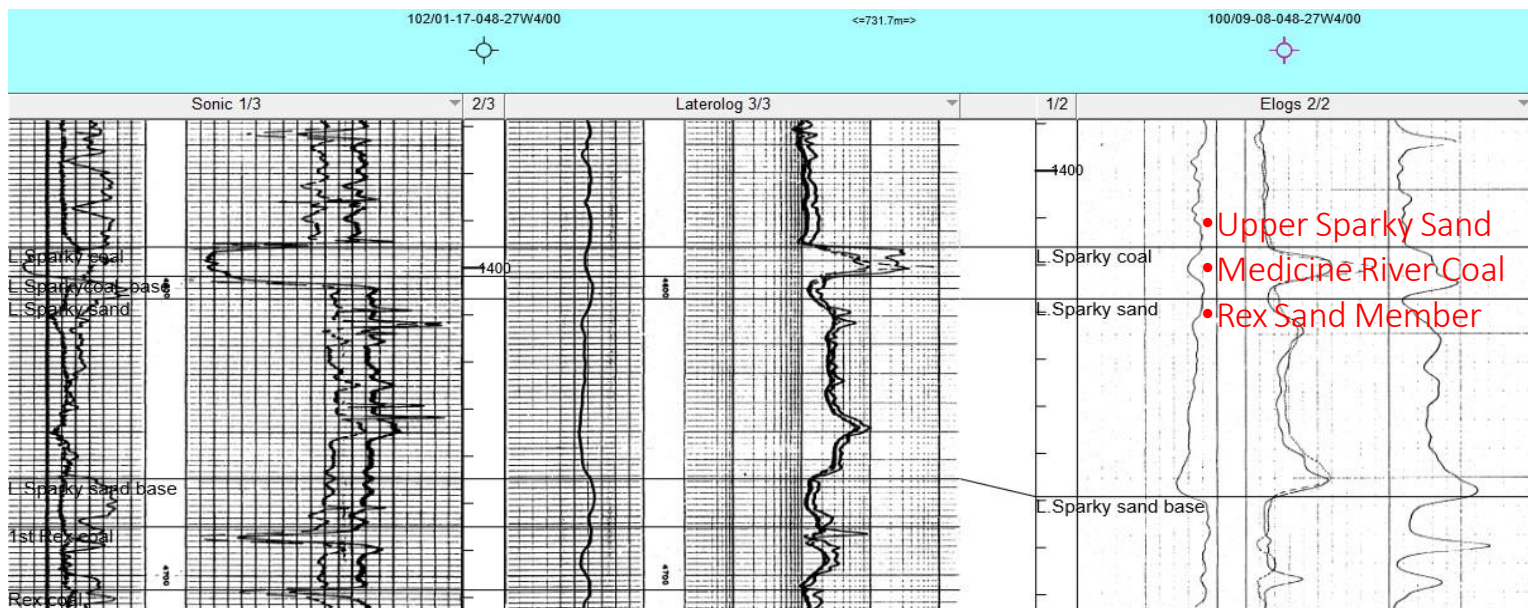
Figure 6 Well control and age at Wizard lake



The majority of wells at Wizard Lake were drilled between 1952 and 1966, to exploit the Devonian Leduc Reef oil accumulations and as such only have log and/or sonic logs. Very few porosity logs exist.

Wells on the western margin of the channel are used to control the maximum *known* width of interpreted channel facies, shown in the solid outline and the edge of the channel margin facies is shown with the dashed outline. The general shape of the channel margin mapped in the east has been mirrored to model the western margin. The Leduc High still guided depositional morphology until Rex time with the channel flow direction from the southwest; as it meets the Leduc High it turns to the NW and dumps crevasse splay deposits across the levee onto the floodplain to the NE (red outline).

Figure 7 Stratigraphy of the Rex Reservoir



The Rex sand reservoir sits stratigraphically between the Medicine River/Lower Sparky coal and the Rex Coals. The red labels illustrate the nomenclature now used in the Wizard Lake area. The Rex sand is 14-15m thick and has porosities of 15-20%

Figure 8 Channel Margin

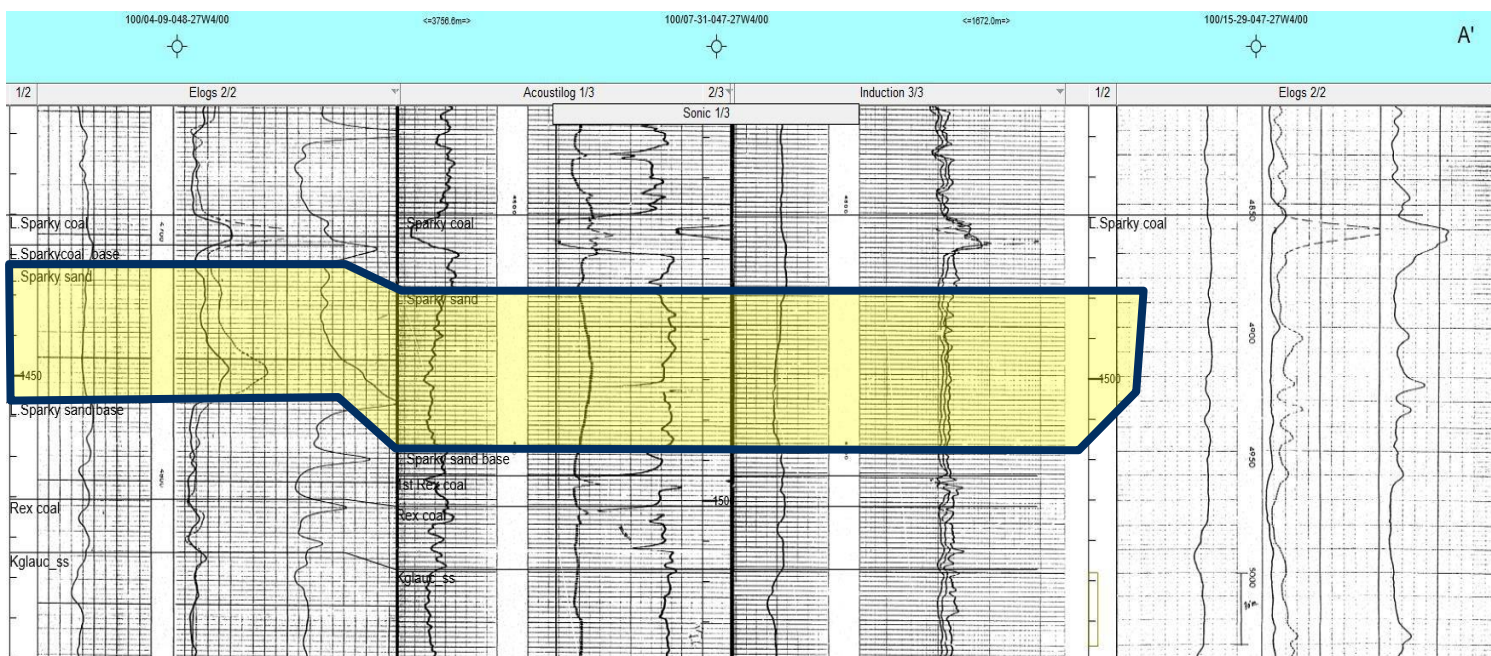


Figure 8 illustrates a Channel Margin on the East side of the pool. The Margin is defined by the lack of channel and a more regional log response below the Lower Sparky Coal.

Wizard Lake Rex Channel Mapping

Figure 9 Wizard Lake Rex Depth Structure

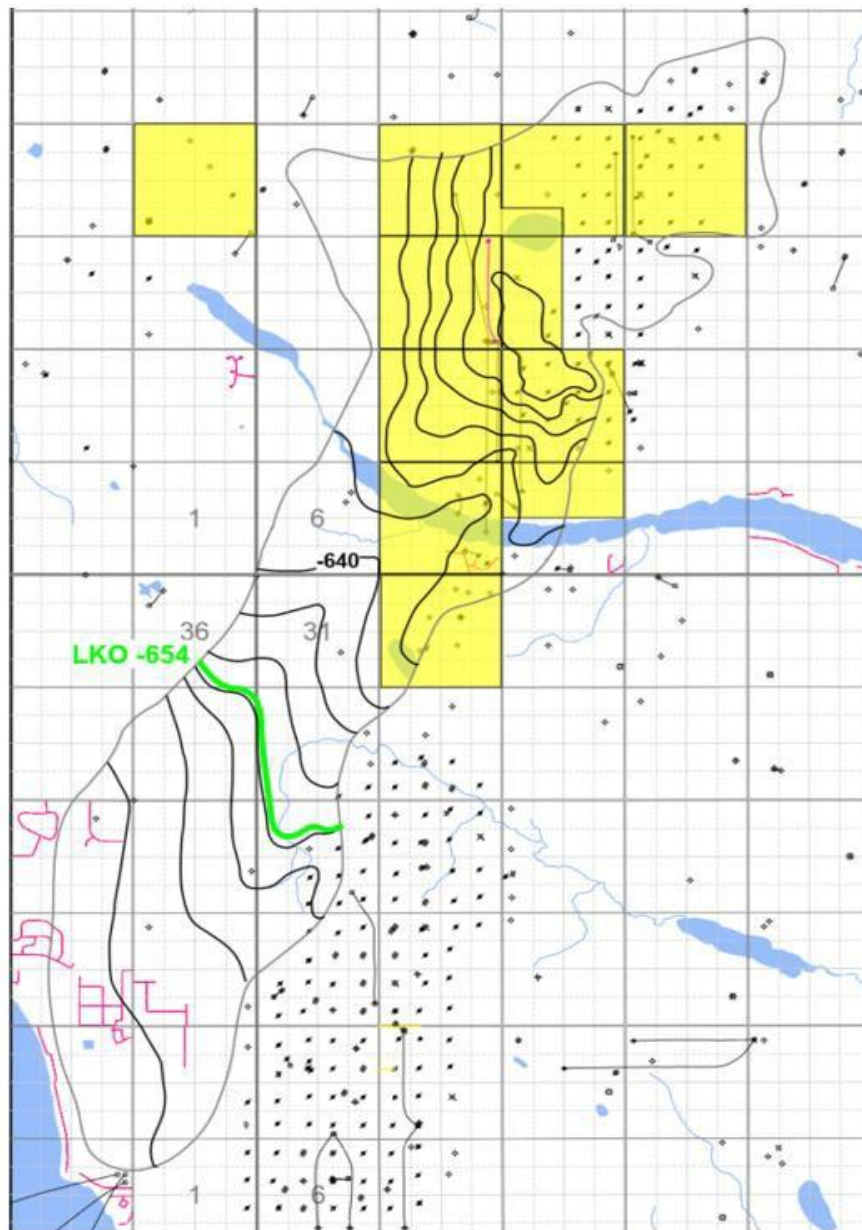


Figure 9 illustrates the depth structure map of the Rex Sand onlapping, or being deposited around, the Leduc Carbonate Reef high (located from the 1950-60s pattern drilling).

Figure 10 Rex Sand Net Pay

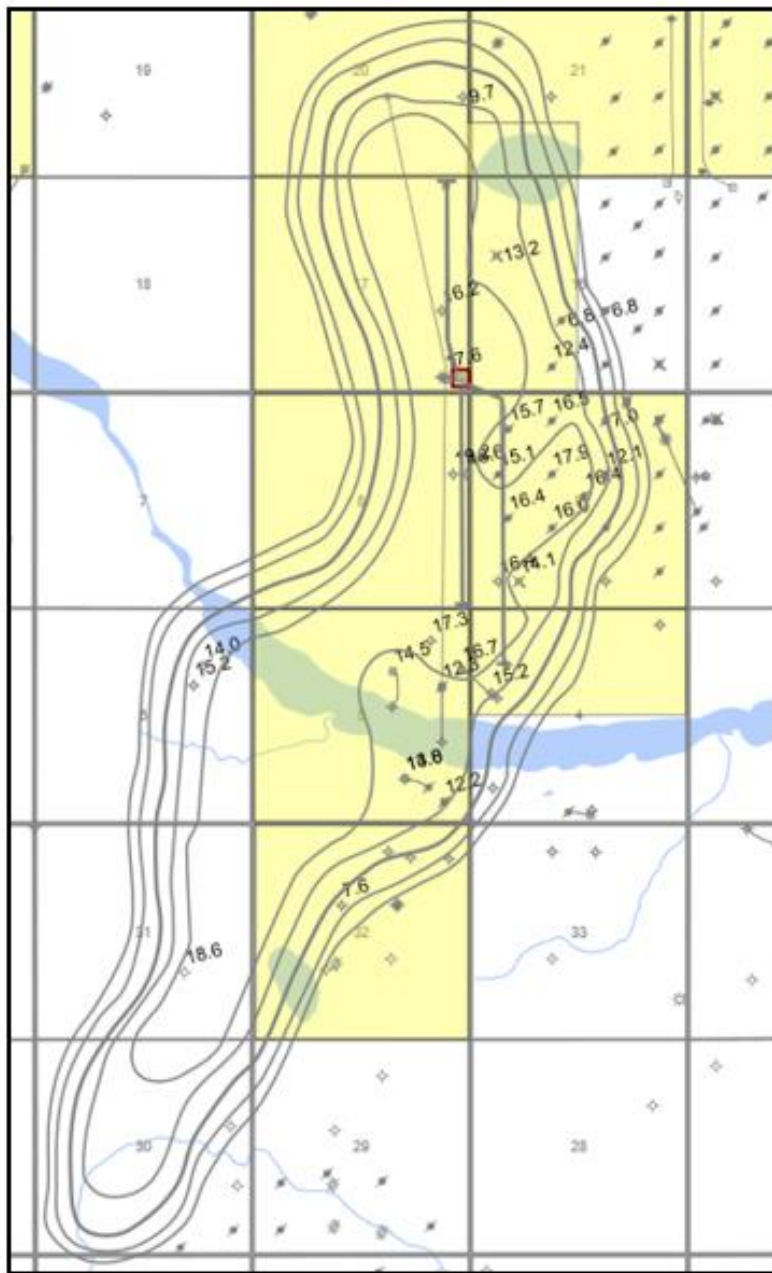


Figure 10 shows the Rex net Pay based on the existing well control. As discussed earlier the west side of the pool has limited control.

Figure 11 Range of Reservoir Distribution

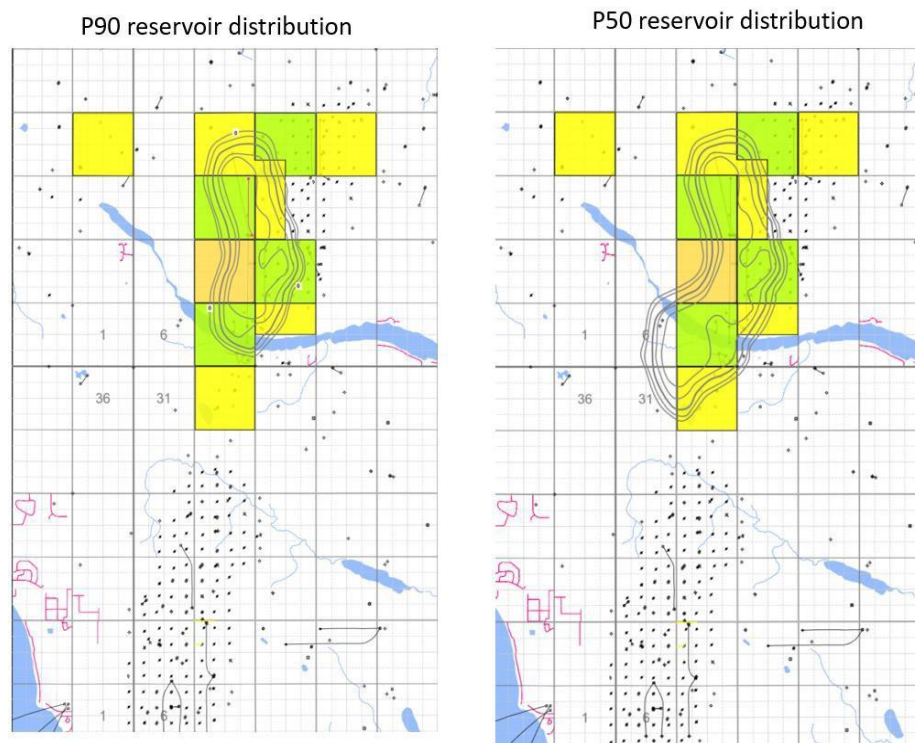


Figure 11 shows a reservoir distribution probability based on existing well control and the Rex 1-3 horizontal wells. Future drilling will define this distribution further and seismic may help define the Rex Channel between the well control.

Conclusion

The Wizard Lake Rex Oil Pool was discovered in 2019 by exploratory drilling based on interpretation of well logs from the Leduc drilling largely in the 1950's. While the exact areal distribution, especially on the Western margin is not completely defined the existing well control including the 3 three recent horizontal wells (Rex -1 to Rex - 3) show a thick; (12-15m), porous (15-20%), lithic channel with significant potential reservoir volume and upside. Further information including additional drilling, modern log suites, core, and seismic control will further define what is already a significant discovery.

Sincerely,



Kevin Angus, B.Sc., P.Geo, ICD.D

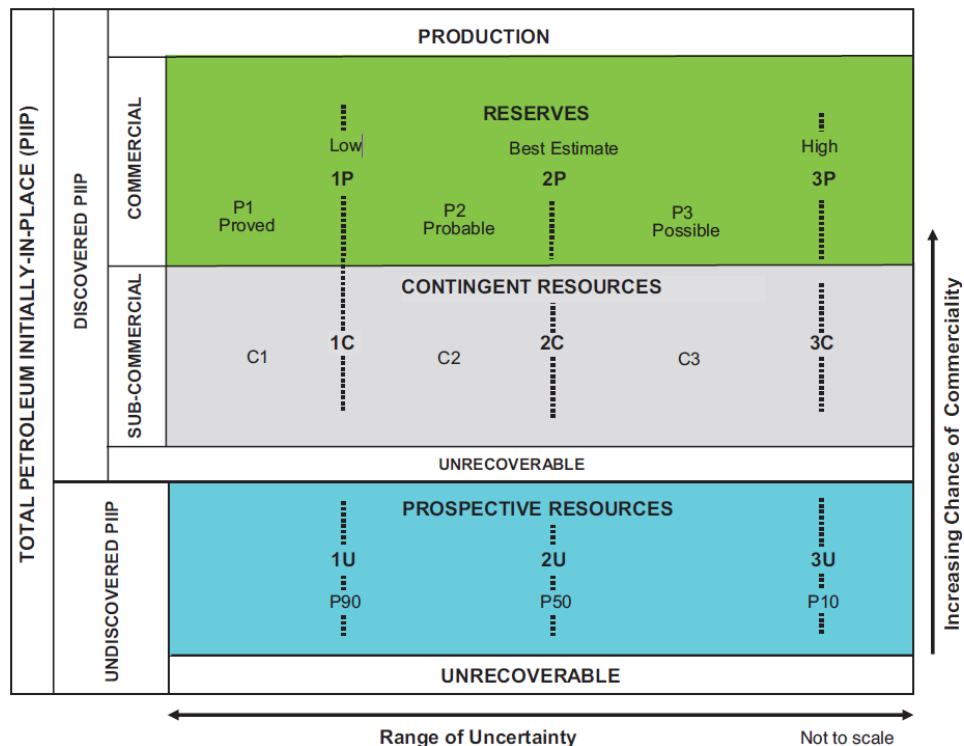
December 30, 2021

Mechanical update of January 1, 2021 Reserve update for Whitebark Energy updated to July1, 2021

KDAngus Corp, a private geotechnical consulting company, was commissioned by Whitebark Energy Ltd to evaluate the internally generated reserve evaluation for their Whitebark Energy operated Wizard Lake Oil Pool in the province of Alberta, Canada. The following Evaluation is a mechanical update to the report of reserves, generated by KDAngus, dated May 2021 and effective January 1, 2021.

The difference between the two reports is most significantly affected by a dramatic increase in commodity prices as the reserves have only decreased by report period production changes. All capital, type curve and operating costs remain unchanged from the May 2021 update.

The evaluation was carried out under the standards contained in the Petroleum Resource Management System (PRMS) revised June 2018 version. Note: The reserve definitions do vary from the Canadian COGE standard but are the recognized standard for the Australian Securities Exchange that Whitebark is listed under. The reserve Classification are shown below. Note only P1, P2, C1 and C2 reserve types were considered in this evaluation as P3 and C3 reserve classification volumes largely lie outside the lands owned by Whitebark Energy. (Appendix Figures 3-5)



Assumptions:

- Total acreage owned by Whitebark is 6400 acres and the breakdown is as follows: 2560 acres Crown and 3840 acres Freehold. (Appendix Figure 1)
- There is a slight variation in royalty rates between Crown and Freehold, but for the purpose of this evaluation and Royalty rate of 17.5% on all lands was assumed. Actual Royalty rates were used for the existing three wells.
- Whitebark W.I. was assumed to be 100% in all wells subject to a 1% GORR to Source Rock Royalties LTD other than Rex 2 & Rex 3 where a 0.5% GORR is applicable.
- The field reserves and resources were assessed using net pay mapping (Appendix Figure 2) and ValNav runs incorporating the potential future wells.
- All ValNav runs and decline analysis of the existing wells and future type curve wells were generated by Whitebark with input parameters reviewed and validated for this report. A summary report is included. (Appendix Figure 6)
- Petroleum Reserves are reported net of lease fuel.
- Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.
- Estimated future net revenue, whether discounted or not, may not represent fair market value.
- Columns may not add due to rounding of individual items.
- Inflation rate is accounted for at 2% per year.
- Crude Oil: The crude oil reserves estimates presented were based on a review of the volumetric data and performance characteristics of the individual wells and reservoirs in question. Volumetric estimates of the original oil in-place were based on individual well petrophysical interpretations, geological studies of pool configurations, and in some cases on published estimates. In those cases where indicative oil production decline and/or increasing gas-oil and oil cut trends were evident, the remaining reserves were determined by extrapolating these trends to economic limiting conditions. Where definitive production information was not yet available, the reserves estimates were usually volumetrically determined using recovery factors based on analogy with similar wells or reservoirs or on estimates of recovery efficiencies. The cumulative production figures were taken from published sources or from records of the Company and estimated for those recent periods where such data were not available.

- Natural Gas and Products: The natural gas reserves estimates for non-associated gas and gas cap pools were based on a study of the volumetric data and performance characteristics of the individual wells and reservoirs in question. Volumetric estimates of the initial gas in-place were based on individual well petrophysical interpretations, geological studies of the pools and areas, and in some cases on published estimates. Material balance estimates of the initial gas in-place were employed where sufficient information was available for a reliable estimate. The reserves recoverable from the currently producing properties were estimated from studies of production performance characteristics and/or reservoir pressure histories. In those cases where indicative gas production decline and/or increasing oil-gas ratio and water-gas ratio trends were evident, the remaining reserves were determined by extrapolating these trends to economic limiting conditions. In cases of competitive drainage in multi-well pools the reserves were based on an analysis of the relevant factors relating to the future pool depletion by existing and possible future wells. The recovery factors for the non-producing properties were estimated from a consideration of test rates, reservoir pressures and by analogy with similar wells or reservoirs.
- Natural gas reserves estimates for solution gas production from producing crude oil properties were based on an analysis of producing gas-oil ratios and existing sales gas recoveries. Solution gas reserves were assigned to non-producing oil properties where there was a likelihood of those reserves being recovered and sold from existing facilities or facilities that are expected to be available in the near future. The natural gas products reserves estimates for the producing properties were based on historical and anticipated future recoveries of these products from the natural gas reserves. The natural gas products recoveries from the non-producing natural gas reserves were estimated from gas analyses, well test information and from analogy with similar reservoirs. Natural gas products reserves were only assigned to non-producing properties in those cases where there was a likelihood that the gas production would be processed through existing facilities capable of extracting these products or where such a facility will be available in the near future.
- Undeveloped reserves are associated with undrilled locations within the existing producing field. Drilling of PUD locations will take place in accordance to good oilfield practice and are subject to normal regulatory and environmental approvals.
- All products have access to market through existing infrastructure but the updated report includes capital of \$1,625k for the purchase of rental equipment and a new pipeline between the existing well pad and the battery.
- Operating costs were Q1 actuals.
- Conversion of gas to BOE is done on the basis of 6mcf = 1 BOE.
- Royalties are calculated in accordance to the Province of Alberta regulations.
- Well costs and associated depths, lengths and completion practices are ascribed to each well in according to their location in the field or accumulation and prevailing oil and gas field practices.



angus_{CORP}

- All proposed wells are analysed for commercial viability and only those deemed commercial were included in the reserve estimates.
- The oil and gas assets are held under existing production licenses in the Province of Alberta, Canada

SUMMARY OF RESERVES

Table 1 – WBE Reserves at July 1, 2021

July 1, 2021				
	Crude Oil	Natural Gas	Natural Gas Liquids	Total
	Mbbl	MMcf	Mbbl	MBOE
1P				
PDP	215	1850	37	560
PUD	773	5799	115	1855
Total 1P	987	7649	152	2414
1C	773	5799	115	1855
2C	2008	15078	300	4821
1P and 1C	1760	13448	267	4297
2P	2069	15767	314	5040
2P and 2C	4076	30845	613	9831

Price Forecast

The following table summarizes the “Average” commodity price forecast and foreign exchange rate and inflation rate assumptions as applied in the Reserve evaluation. The forecast used to generate the Average price forecast were developed by the average of McDaniels, Sproule, GLJ, and Deloitte. The oil pricing has been further adjusted to incorporate a quality discount set in US\$.

Table 2 - Average Commodity Price Forecast and Foreign Exchange Q4, 2021

Year	Exchange Rate	WTI Crude Oil	Western Canadian Select	Wizard Offset	Wizard Pricing	Natural gas Alberta AECO Spot
	\$USD/\$Cdn	\$US/bbl	\$Cdn/bbl	\$USD/bbl	\$Cdn/bbl	Cdn\$/MMbtu
July 2021	1.245	71.33	78.32	12.50	73.23	3.46
Oct 2021	1.258	75.17	79.05	12.50	78.83	4.57
2022	1.253	71.00	72.95	12.50	73.28	3.83
2023	1.250	67.77	67.92	14.00	67.21	3.26
2024	1.250	65.77	65.11	14.00	64.46	2.99
2025	1.250	66.88	66.41	14.00	66.10	3.05
2026	1.250	68.22	67.74	14.00	67.77	3.12
2027	1.250	69.58	69.09	14.00	69.47	3.17
2028	1.250	70.97	70.47	14.00	71.22	3.24
2029	1.250	72.30	71.88	14.00	72.99	3.31
2030	1.250	73.84	73.32	14.00	74.80	3.37

Operating and Capital costs update from June 2020 to May 2021

Table 3 – Operating cost update

	<u>Jun-20</u> <u>(Old)</u>	<u>Jan-21</u>	<u>(Update)</u>	<u>Effective</u>
Fixed	\$13,300	\$20,000	/well-month	
Fixed (w/o rental)	\$ 5,000	\$8,400	/well-month	Jan-21
Variable Oil	\$3.20/bbl	\$3.20	/bbl	
Variable H2O (trucked)	\$2.15/bbl	\$3.38	/bbl	
Variable H2O (w Tie-in)	\$0.79/bbl	\$0.79	/bbl	Oct-21
Variable Gas	\$0.78/mcf	\$0.92	/mcf	

Table 4 – Capital cost update

Additional Capex			
	Cost	Timing	New
Purchase Rentals	\$475k	Jun-21	No
T.I. to SWD Well	\$650k	Oct-21	No
New PL btw. Batt and Well Pad	\$500k	Nov-21	Yes

SUMMARY OF RESERVE VALUE

Table 4 – Whitebark Reserve Values at July 1 2021, Using Industry Average Pricing
(Refer to Appendix figure 6 for detail)

July 1, 2021	
	NPV@10% BTAX (M\$)
1P	
PDP	5,769
PUD	22,913
Total 1P	28,682
1C	13,413
2C	91,460
1P & 1C	68,547
2P	55,134
2P and 2C	156,594

The Qualified Reserves and Resources Evaluator Statement

The information in this report that relates to oil and gas Reserves was compiled by technical employees of Whitebark Energy Ltd, and subsequently reviewed by Kevin Angus, P.Geo.

Mr. Angus is currently President of KD Angus Corp., a private geotechnical consulting company. Mr. Angus has over 30 years of industry geotechnical experience in both Western Canada and International areas. He has wide-ranging project experience across numerous theatres of operation and reservoir types and has worked extensively on tight oil and gas plays in clastic sequences. Mr. Angus has been involved as a cofounder of 4 public oil and gas companies and was the founding director of Painted Pony Petroleum where he has chaired and was a member of the reserve committee from 2012 - 2020. He has over 15 years of experience as a director on publicly traded oil and gas companies

Mr. Angus, P. Geoph., has an ICD.D designation from the Institute of Corporate Directors. He holds a Bachelor of Science in Geology from the University of Calgary and is registered as a Professional Geoscientist with the Alberta Professional Engineers and Geoscientists of Alberta (APEGA).

Appendix

Figure 1 Whitebark Land Map

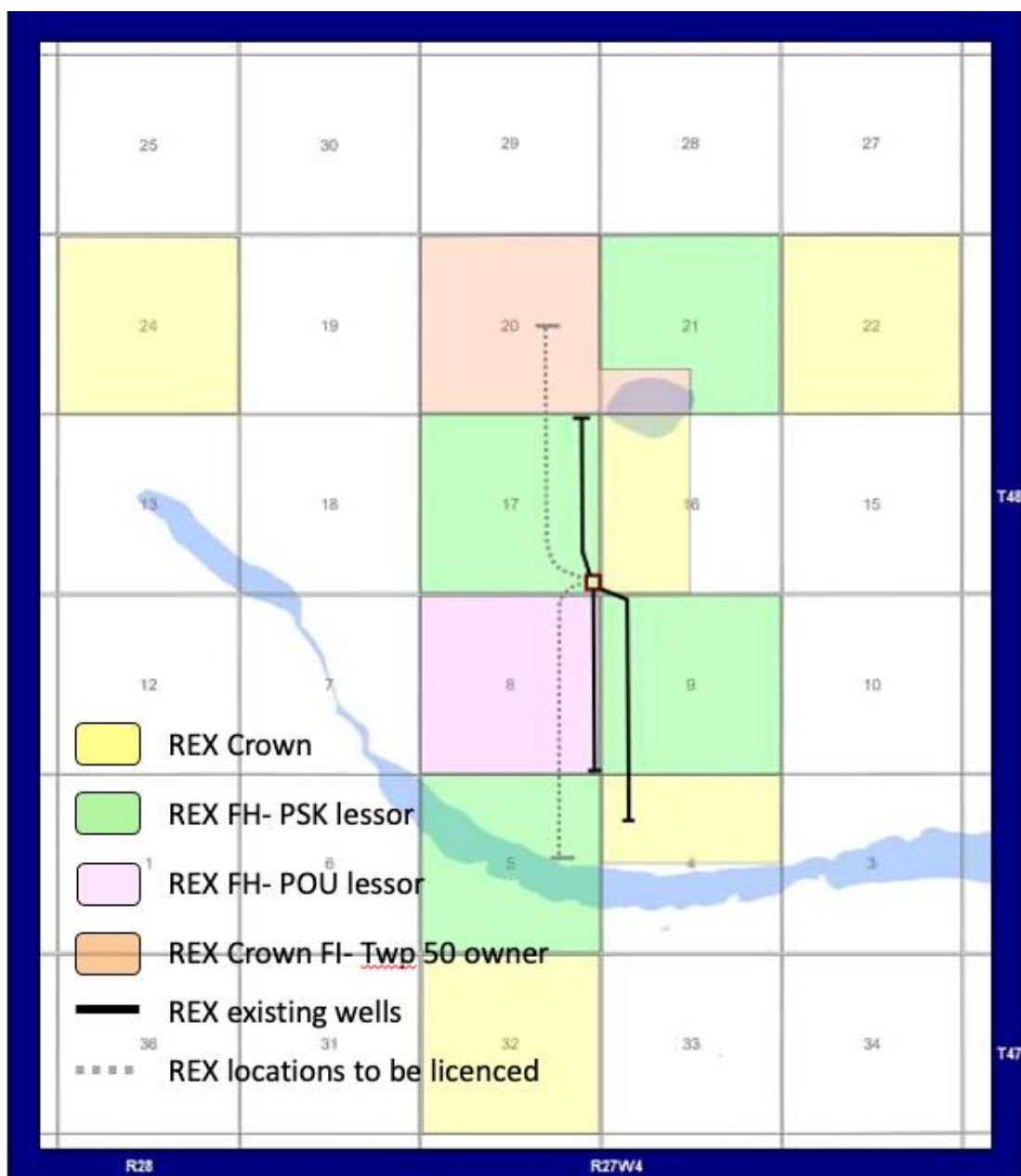


Figure 2 Rex Sand Net Pay Map

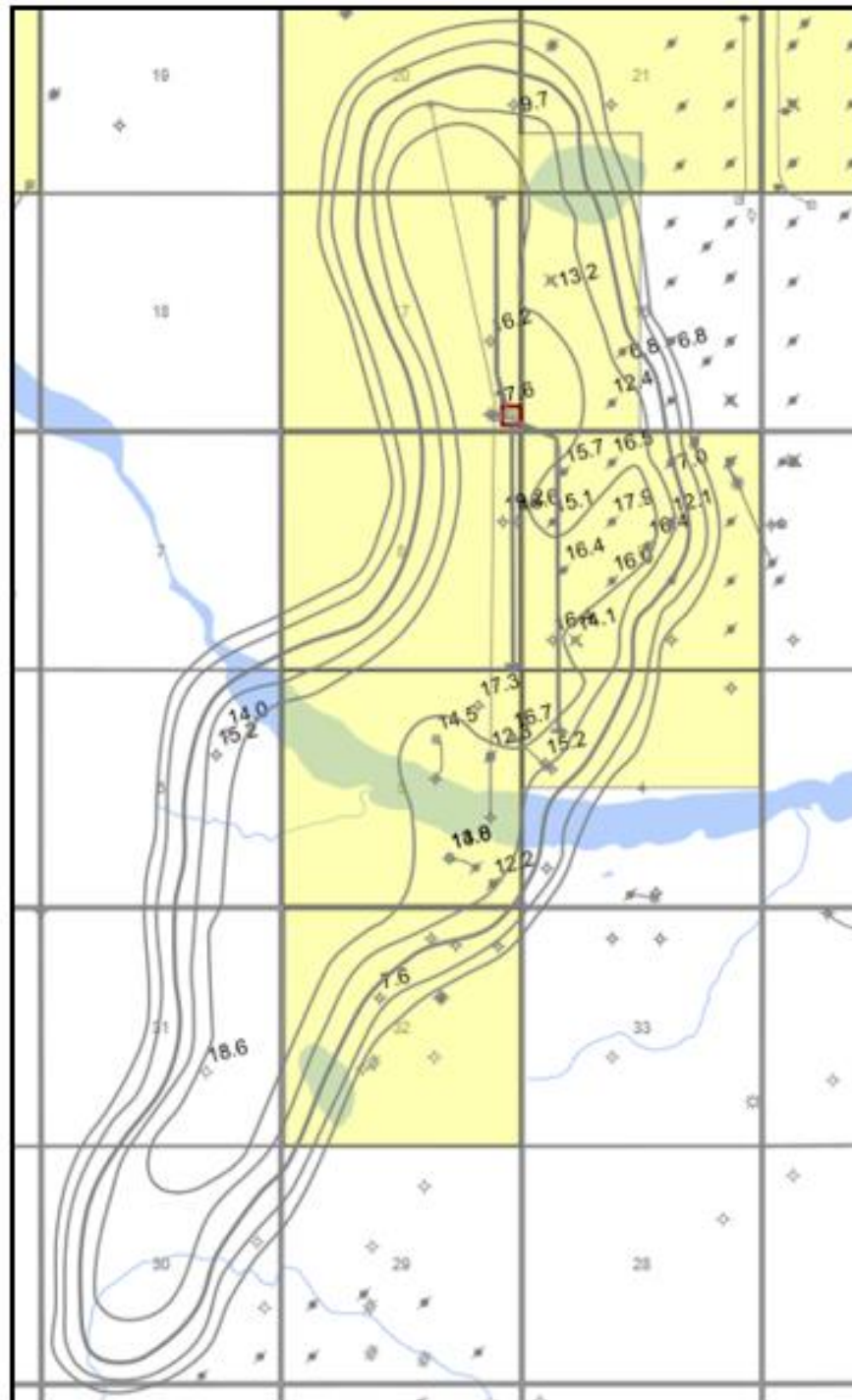


Figure 3 P90 P50 and P10 outlines

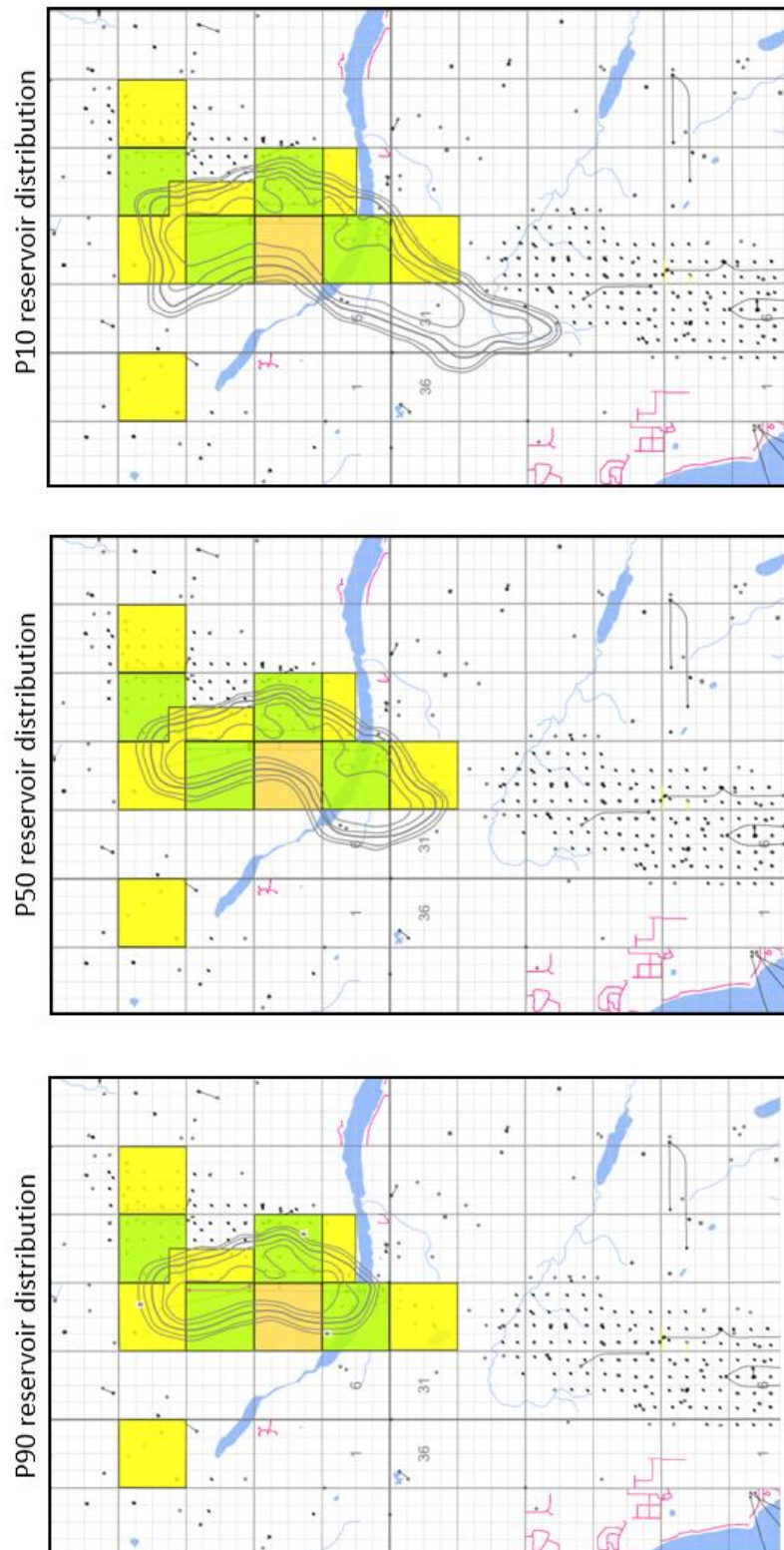


Figure 4 P90 Outline with Future Locations

P90 outline - 1P + 1C Locations

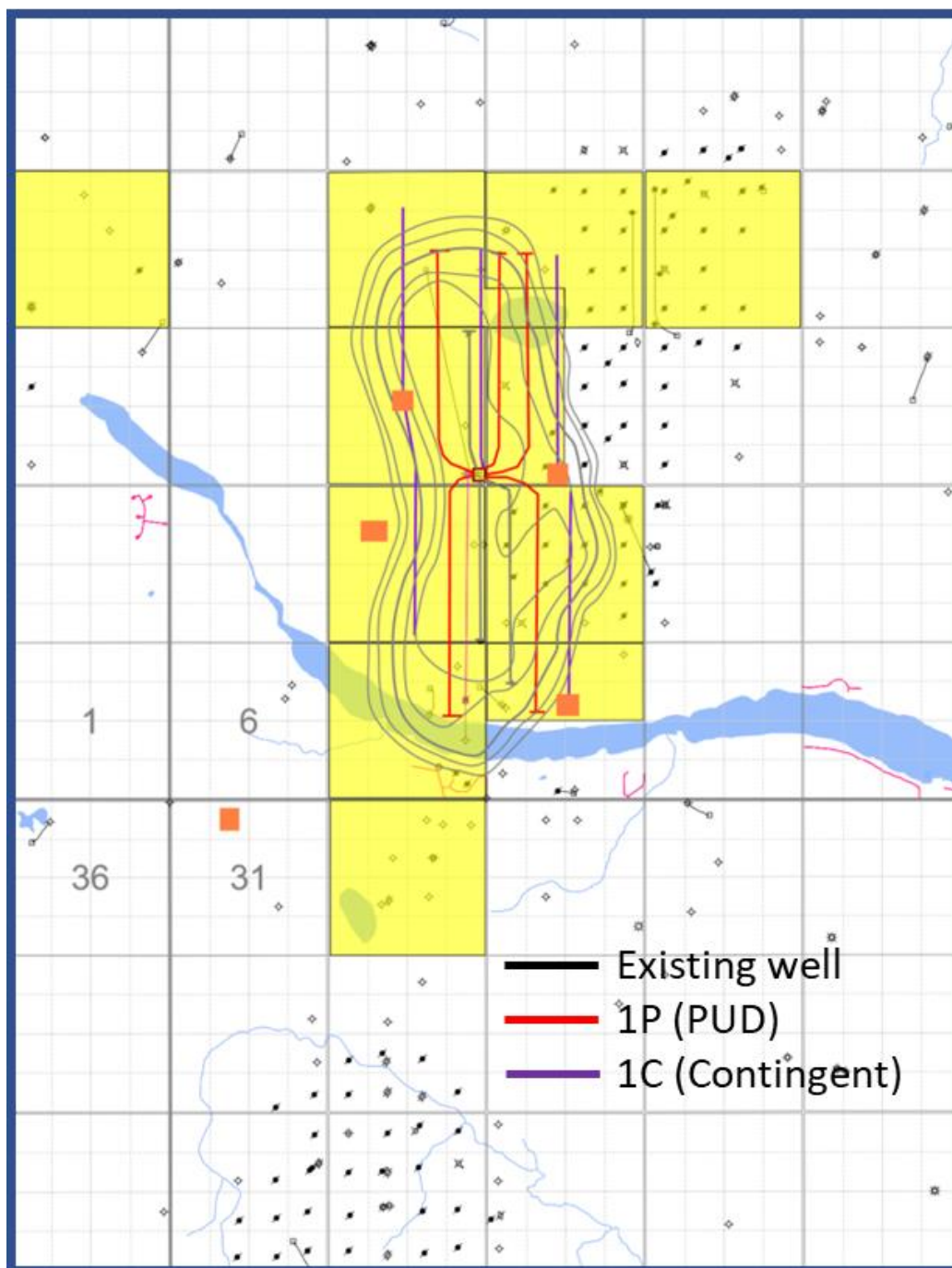


Figure 5 P50 Outline with Future locations

P50 outline - 2P + 2C Locations

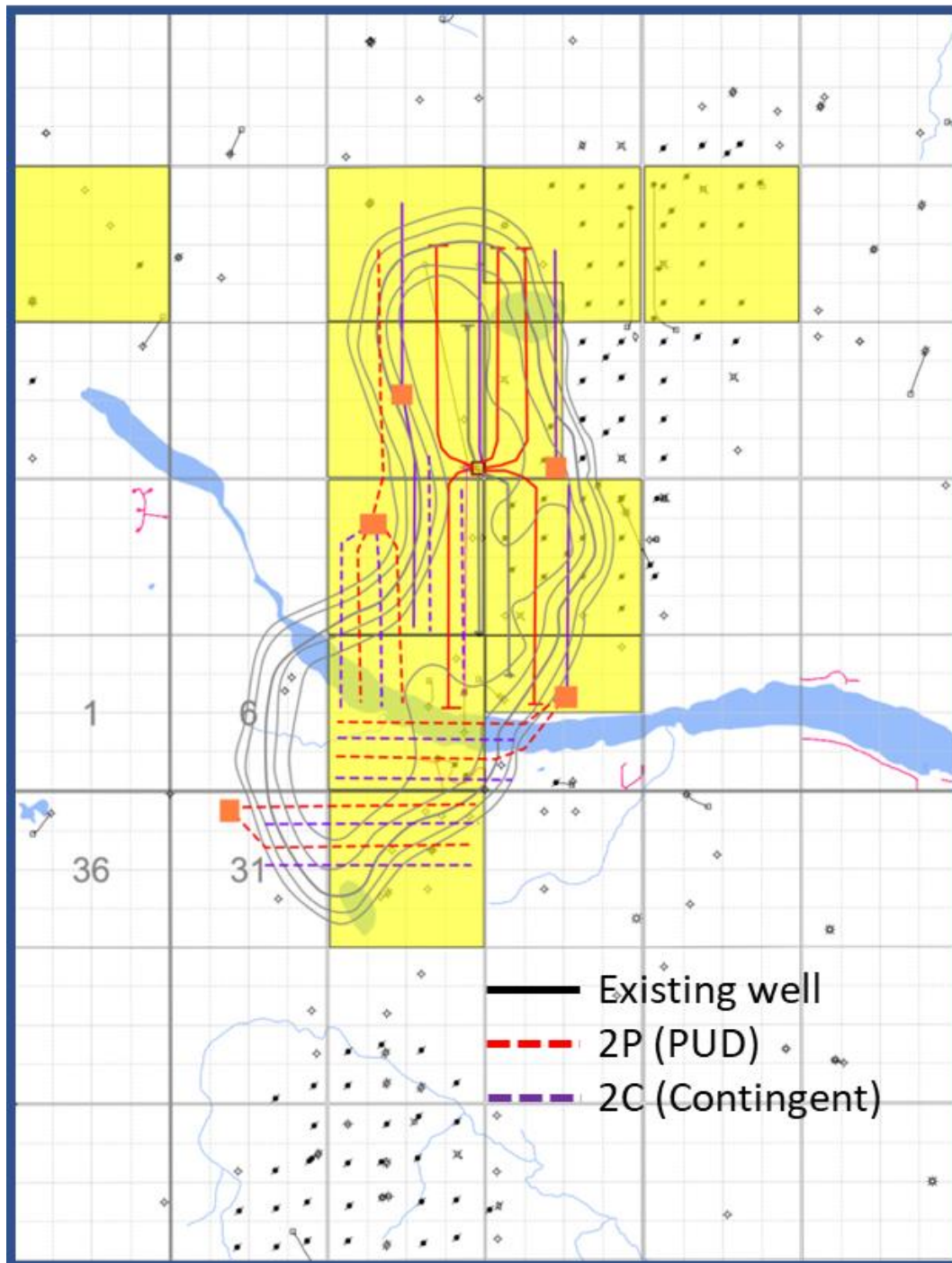


Figure 6 ValNav Reserve Runs

Results as of July 1, 2021 Whitebark

Rex Energy Ltd. Results as of July 1, 2021 Rex Energy Ltd. (Working Copy, <Current Options>)										
Area and Property	Company Interest % Zones	Source Res. Cat.	Company Share Reserves				Before Tax Cash Flow			
			Oil Mbbl	Sales Gas MMcf	Cond. Mbbl	Liquids Mbbl	NPV @ 8.00% M\$C	NPV @ 10.00% M\$C	NPV @ 12.00% M\$C	
Proved										
Proved Developed Producing										
103/12-04-048-27W4/0	W=100.0	Upper Mannville X	PDP	94.4	1,245.8	-	24.8	3,891.5	3,828.0	3,403.9
100/01-08-048-27W4/0	W=100.0	Upper Mannville X	PDP	84.4	445.5	-	8.9	2,497.2	2,342.3	2,207.8
100/16-17-048-27W4/0	W=100.0	Upper Mannville X	PDP	36.0	158.5	-	3.2	999.7	969.3	940.5
PDP Disp. Well Tie-in, Purchase Rentals, and ABD Batt			NRA	-	-	-	-	-1,216.5	-1,171.0	-1,141.8
Total: Proved Developed Producing				214.8	1,849.7	-	36.8	6,171.9	5,768.6	5,410.5
Proved Undeveloped										
1P Satellite			NRA	-	-	-	-	-579.2	-574.4	-569.6
Well #04_Nov_21_1P	W=100.0	Upper Mannville X	TP	154.5	1,159.8	-	23.1	5,512.6	5,128.9	4,787.4
Well #05_Dec_21_1P	W=100.0	Upper Mannville X	TP	154.5	1,159.8	-	23.1	5,365.5	4,977.5	4,632.5
Well #06_Jul_22_1P	W=100.0	Upper Mannville X	TP	154.5	1,159.8	-	23.1	4,990.8	4,571.6	4,202.0
Well #07_Aug_22_1P	W=100.0	Upper Mannville X	TP	154.5	1,159.8	-	23.1	4,951.1	4,522.9	4,146.6
Well #08_Nov_22_1P	W=100.0	Upper Mannville X	TP	154.5	1,159.8	-	23.1	4,719.1	4,286.3	3,906.9
Total: Proved Undeveloped				772.5	5,799.0	-	115.3	24,959.9	22,912.9	21,105.8
Total Proved				987.2	7,648.8	-	152.1	31,131.8	28,681.4	26,516.4
Total Probable				1,081.4	8,118.7	-	161.5	29,753.4	26,451.6	23,608.5
Proved + Probable										
Proved + Prob. Undeveloped										
Well #09_Dec_22_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,806.6	4,171.7	3,791.2
Well #10_Jul_23_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,375.5	3,915.4	3,516.7
Well #11_Aug_23_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,339.7	3,876.2	3,475.2
Well #12_Nov_23_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,224.4	3,752.6	3,346.1
Well #13_Dec_23_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,155.9	3,682.6	3,275.6
Well #14_Jul_24_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,033.3	3,535.9	3,112.3
Well #15_Aug_24_2P	W=100.0	Upper Mannville X	TPP	154.5	1,159.8	-	23.1	4,018.0	3,517.2	3,091.2
Total: Proved + Prob. Undeveloped				1,081.4	8,118.7	-	161.5	29,753.4	26,451.6	23,608.5
Total Proved + Probable				2,068.7	15,767.4	-	313.6	60,885.2	55,133.0	50,124.8
1C Contingent Resources										
1C Contingent Resources										
1C Satellite and Tie-in			NRA	-	-	-	-	-1,000.3	-951.8	-906.4
Well #16_Nov_24_1C	W=100.0	Upper Mannville X	1P + 1C	154.5	1,159.8	-	23.1	3,427.9	2,978.8	2,598.8
Well #17_Dec_24_1C	W=100.0	Upper Mannville X	1P + 1C	154.5	1,159.8	-	23.1	3,400.3	2,949.4	2,568.4
Well #18_Jul_25_1C	W=100.0	Upper Mannville X	1P + 1C	154.5	1,159.8	-	23.1	3,302.0	2,834.0	2,442.5
Well #19_Aug_25_1C	W=100.0	Upper Mannville X	1P + 1C	154.5	1,159.8	-	23.1	3,289.8	2,819.3	2,426.2
Well #20_Nov_25_1C	W=100.0	Upper Mannville X	1P + 1C	154.5	1,159.8	-	23.1	3,261.6	2,783.5	2,385.7
Total: 1C Contingent Resources				772.5	5,799.0	-	115.3	15,681.4	13,413.2	11,515.2
2C Contingent Resources										
C2 Contingent Resources										
2C Satellite and Tie-in			NRA	-	-	-	-	-931.3	-886.0	-806.4
Well #21_Dec_25_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	3,235.5	2,756.1	2,357.9
Well #22_Jul_26_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	3,141.3	2,647.8	2,241.9
Well #23_Aug_26_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	3,129.6	2,633.9	2,226.8
Well #24_Nov_26_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	3,102.3	2,600.1	2,189.3
Well #25_Dec_26_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	3,077.3	2,574.4	2,163.7
Well #26_Jul_27_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	2,987.9	2,473.3	2,057.3
Well #27_Aug_27_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	2,976.8	2,460.4	2,043.5
Well #28_Nov_27_2C	W=100.0	Upper Mannville X	2P + 2C	154.5	1,159.8	-	23.1	2,950.9	2,428.9	2,009.2
Total: C2 Contingent Resources				1,235.9	9,278.5	-	184.5	23,670.3	19,708.8	16,483.2

Figure 7 Economics for future locations

Rex 3 Like Production

- Oil ~155 Mbbbl
- Gas ~1.3 bcf

Capex

- Drill: \$1,175 M
- Complete \$1,200 M
- Equip: \$ 250 M
\$2,625 M

	Consensus Pricing
	Q4 2021
NPV10 Btax	\$5,128 M
RoR	257%
Payout	0.6 yrs

ANNEXURE B – SOLICITOR'S REPORT ON TITLE

January 18, 2022

Whitebark Energy Ltd.
c/o Rex Energy Ltd.
815 - 8th Avenue S.W., Suite 600
Calgary, AB T2P 3P2

Attention: Troy Wagner
troy.wagner@rexenergy.ca

Dear Colleague:

**Re: Title Report and Summary Regarding Hydrocarbon Interests
Wizard Lake Area, Alberta, Canada**

We act as Canadian legal counsel to Whitebark Energy Ltd. (“WBE”), an Australian public company listed on the Australian Securities Exchange (the “ASX”) proposing to lodge a prospectus (the “Prospectus”) for the issue of securities in WBE on the ASX (the “Purpose”). We also act as counsel to Rex Energy Ltd. (“REX”), WBE’s wholly owned Canadian subsidiary. This Title Report and Summary describes certain subsurface hydrocarbon interests of REX in the Wizard Lake Area located in the Province of Alberta, Canada and described in Schedule “A” hereto (the “Hydrocarbon Interests”) for the purposes of inclusion in the Prospectus.

We consent to be named in the Prospectus as WBE’s Canadian legal counsel and to include this Title Report and Summary in the Prospectus.

1. Scope of Report.

As requested by WBE, this Title Report and Summary assesses REX’s corporate status and the validity and subsistence of REX’s entitlement to the Hydrocarbon Interests and provides an overview of the legal and regulatory framework of the oil and gas industry in the context of the Hydrocarbon Interests, and of certain of the risks associated with any operations that REX may conduct in respect of the Hydrocarbon Interests.

This Title Report and Summary adopts by this reference the defined terms described in Schedule “B” hereto in respect of the upper-case terms appearing herein and in Schedule “A”; is based upon the Scope of Review; and is subject to both the General Qualifications and the Specific Qualifications. Unless otherwise indicated herein, the General Qualifications and the Specific Qualifications have been made without independent investigation.

2. Corporate Status of REX.

REX is a duly organized and formed corporation under the laws of the Province of Alberta and was incorporated on April 5, 2017 as Salt Bush Energy Ltd., which subsequently changed its name to REX on or about August 13, 2021. We have conducted Public Record Searches in respect of REX at the Corporate Registry and the Personal Property Registry maintained by the Government of Alberta, at the

Title Report and Summary Regarding Hydrocarbon Interests
Wizard Lake Area, Alberta, Canada

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Alberta Court of Queen's Bench, at the Alberta Workers' Compensation Board, at Alberta Employment Standards, at Alberta Environmental Enforcement, at Alberta Office of the Sheriffs, and at the Bank of Canada. We identified no material issues with respect to REX as of the Effective Date in respect of such Public Record Searches.

3. Overview of Oil & Gas Industry in Alberta.

(a) Ownership of Land and Mineral Rights in Canada.

In Canada interests in land may be held publicly by the Crown, or privately by a Freeholder, and land ownership may comprise the Mineral Estate, or the Surface Estate, or both. The Mineral Estate and the Surface Estate are distinct from one another, and in many cases, particularly in Alberta, an individual may own the Surface Estate, while the Alberta Crown may hold the underlying Mineral Estate.

(i) Crown Minerals in General.

In Canada, the Provincial Crowns own the majority of Mineral Estates, but the extent of Provincial Crown ownership varies from Province to Province, with the Alberta Crown owning 81% of the Mineral Estate within Alberta. The Federal Crown essentially only holds title to the Mineral Estate within National Parks and First Nation reserves. As there is no national or state-owned oil company in Canada, the Crown does not conduct exploration or development of oil and gas resources on its own. Instead, interests in the Crown Mineral Estate are granted to individuals, companies, or other entities by the appropriate Provincial ministry under a tenure system based on English common law principles (with the exception of Québec). Each Province has its own legislation that administers its hydrocarbon tenure system, and in Alberta that legislation is the *Mines and Minerals Act* (Alberta).

(ii) Indigenous Peoples of Canada.

The Canadian Constitution recognizes three groups of Indigenous peoples, namely First Nations, Métis and Inuit. Land ownership recognized by treaties or settlement agreements between these groups and the Crown is typically held by the governing body of the respective group and in most respects is similar to a Crown Mineral Estate ownership. Oil and gas development on First Nation reserve lands is managed and regulated by the IGOC, which is a special Federal operating agency within *Indigenous Services Canada*. In Alberta there are 48 First Nations comprising 1.62 million acres of Reserve lands. Also within Alberta are eight Métis settlements comprising approximately 1.25 million acres of land. Métis settlement lands are owned in fee simple by the Métis Settlements General Council and are co-managed with the Alberta Crown. The Inuit are the Indigenous peoples who reside primarily in Labrador, Northern Québec, Nunavut and the Northwest Territories. These Inuit regions have settled land claims, and the settlement agreements govern exploration, development and production of oil and natural gas resources in these areas.

January 18, 2022

(iii) **Freehold Lands.**

Freeholders may hold title to both Surface Estate and/or the Mineral Estate in fee simple. A fee simple estate is the highest form of non-governmental land ownership that exists in Canada. It is usually characterized by the issuance of a certificate of title under a “Torrens-type” land registry system and is subject only to the rights of the Crown, and specified exceptions in the applicable land titles legislation. An individual, corporation or other entity entitled to a Mineral Fee Interest may choose to explore and develop the natural resources underlying those lands or lease or sell those rights to another party.

(b) **Governmental Authorities.**

Oil and gas projects in Canada are subject to oversight and regulation by a variety of Governmental Authorities depending on the nature of the project and where it is located. Each Province regulates oil and gas activities within their borders and have government ministries responsible for managing Provincially owned resources, as well as entering into agreements concerning rights to Crown Mineral Fee Interests. The regulators are responsible for monitoring all phases of oil and gas development in the Province, including approving oil and gas project applications, ensuring that projects are in compliance with Provincial legislation (including environmental legislation) and granting entry to Crown lands. In some jurisdictions, these roles are held by the same entity. In other jurisdictions, such as Alberta and British Columbia, there is an independent regulator. Environmental approvals for oil and gas development are granted by the independent regulator in those Provinces.

In Alberta, *Alberta Energy* is the responsible Provincial government ministry, and the *Alberta Energy Regulator* (“AER”) is the Province’s independent oil and gas regulator. In addition, the *Aboriginal Consultation Office* co-ordinates and oversees consultations with First Nations in Alberta. Alberta also has a *Land and Property Rights Tribunal* (formerly the *Surface Rights Board*) that facilitates dealings between industry and landowners, and has the power to make an order for a right of entry and determine the appropriate amount of compensation owed by the developer of the Mineral Estate to the owners of the Surface Estate. On Metis Settlement Land in Alberta, the *Metis Settlements Appeal Tribunal* deals with such disputes.

While a Provincial government has general authority over its natural resources, Federal jurisdiction may overlap these Provincial responsibilities. Examples of this include where Indigenous interests are affected, if a project crosses provincial or international boundaries, or where a project takes place offshore. When a jurisdictional overlap occurs, both Federal and Provincial regulators may become involved. The current Federal regulator is the *Canadian Energy Regulator* (formerly the *National Energy Board*), which oversees matters such as pipelines or power lines that cross provincial or international boundaries, tolls and tariffs, environmental assessments and the import and export of energy. Other Federal bodies that may be involved in these matters are the *Canadian Environmental Assessment Agency*, *Fisheries and Oceans Canada*, *Transport Canada*, *Natural Resources Canada*, as well as *Crown – Indigenous Relations and Northern Affairs*. The IOGC is tasked with fulfilling the Federal government’s fiduciary and statutory duties with respect to all aspects of oil and gas operations taking place on First

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Wizard Lake Area, Alberta, Canada

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Nations reserves. IOGC is also responsible for approving oil and gas lease agreements for First Nations lands (in conjunction with the First Nation), securing regulatory compliance, collecting royalties, or rent in trust for the First Nation, and providing consultation services to First Nations in their dealings with the oil and gas industry.

(c) Obtaining Working Interests.

(i) Freehold Tenures.

Where Mineral Fee Interests are owned by Freeholders, a Freehold Tenure must be obtained prior to exploration and development on those lands. There is no standard form of Freehold Tenure used in Canada, and contracting parties are free to enter into one of a variety of lease forms that have evolved over the years. In an effort to address common concerns, the Canadian Association of Petroleum Landmen (“**CAPL**”) has developed leasehold forms, which are being more prevalent within industry.

Notwithstanding that many forms of Freehold Tenure exist, most will include terms addressing the following: granting clause (specifying the mineral rights that are granted, including the substances, subsurface formations, and location); duration (specifying the term of the lease and the provisions for continuation of the lease); compensation for the Lessor (including initial consideration, bonus payment, royalty, delay rentals, shut-in royalty); drilling, production and shut-in obligations; drainage and offset well obligations; provisions for abandonment and reclamation; and the manner in which a default and/or termination of the lease will be addressed. Freehold Tenures remain subject to applicable Provincial or Federal legislation; however, generally speaking, all the terms of the Freehold Tenure are contained within the document itself.

(ii) Crown Tenures.

Rights to the Mineral Estate are acquired from the Alberta Crown by way of leases and licences. Alberta Crown leases and licences are granted by Alberta Energy, usually through public sale or offering. The provisions of an Alberta Crown Tenure are generally similar to the ones found in a Freehold Tenure, however, the terms are governed by the *Mines and Minerals Act* (Alberta) and the applicable regulations thereunder. In Alberta, the initial term of a Crown petroleum and natural gas lease is 5 years, and subject to the lessee establishing that the land in question is productive, may be continued by the Minister. On the other hand, the initial term of a petroleum and natural gas licence may be 2, 4, or 5 years, depending on the region in which the licence is located, the licence may be validated for an intermediate term of 5 years once a well has been drilled on the land. If a Crown lease or licence is not continued, the land reverts back to the Crown.

Any Alberta Crown Tenure is subject to both the terms of the document itself, along with the applicable Provincial legislation incorporated by reference. This legislation specifies many additional material details, such as the amount and manner of calculating the related royalty payments. As such, changes in these laws and regulations translate to changes in the Crown Tenure. Additionally, different legislation and regulations for land tenure and project development exist in different jurisdictions for different

January 18, 2022

types of oil and gas resources, such as oil sands or shale oil. From time to time, the Provincial governments of the Western Canadian Provinces create incentive programs for exploration and development, and such programs often provide for royalty reductions, royalty holidays and tax credits, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving near-term earnings and cash flow within the industry.

(iii) First Nation Reserves and Metis Settlement Lands.

On First Nation reserves and Metis Settlement lands, leases are granted through calls for tender and proposals, competitive bidding, or direct negotiations with groups representing the Indigenous communities. Leases on First Nation reserves are approved by both the First Nation's Band Council and IOGC, and in Alberta, the Metis Settlements Appeals Tribunal acts in a similar manner to the surface rights board for disputes regarding access to land.

(iv) Nature of the Interest Obtained.

In Canada a Hydrocarbon Tenure gives the lessee a Working Interest in the Mineral Fee Interest subject to the grant. A Working Interest is a right to produce and dispose of the granted hydrocarbons (i.e. a "right to extract" or a "licence to take"). The owner of the Working Interest also has the responsibility for the cost of production and disposal of the minerals. However, the mineral rights are leased, not sold. As such, there is no ownership of the minerals in situ, and the proprietary interest only transfers to the lessee once the mineral is extracted. For a Working Interest owner that has a registrable interest in a lease, licence, or permit, it is prudent practice to register that interest with the applicable Provincial Crown registry or Land Titles Office. The extent to which a Working Interest is registrable differs from jurisdiction to jurisdiction, but generally it is difficult to effect registration at Provincial Crown registries if you do not own an interest in all of the leased substances, or if your interest is restricted to certain zones or lands.

In Alberta, a Freehold Tenure is a registerable interest for purposes of the *Land Titles Act* (Alberta). Whether you have a legal and beneficial interest, as a recognized lessee, or a beneficial interest only pursuant to a further contractual arrangement in respect of that Freehold Tenure, you may protect your interest by registering a caveat, which acts as a warning to others that you are claiming an interest in a parcel of land.

(d) Exercising the Working Interest.

(i) Access to Land.

Ownership of the Mineral Estate and Surface Estate are distinct and as such if the owner of the Mineral Estate is different from the owner of the Surface Estate, a separate surface tenure will have to be negotiated with the landowner. In Alberta, a specific separate sum must be provided in consideration for the right of entry to the Surface Estate in order to exploit the Hydrocarbon Tenure. If a the owner of

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the Surface Estate and the holder of a Hydrocarbon Tenure are unable to agree on the terms of a surface tenure, or in the event of a subsequent dispute, the Provincial surface rights tribunal has the power to authorize a right of entry and determine the appropriate amount of compensation owed. In the case of surface access on First Nation lands, companies are typically required to submit an environmental review form to both the First Nation and IOGC, as part of its surface lease or right-of-way application.

(ii) Operating and Drilling Permit Requirements.

In addition to obtaining the right to extract the mineral, most jurisdictions require an approval prior to beginning any drilling operations or building activities. In Alberta, the operator must obtain a licence from the AER prior to beginning any activity related to drilling a well or building a facility. The AER has broad discretion, and a number of criteria must be met before a license will be issued. As such, it may refuse to issue a licence entirely, or subject the licence to conditions or restrictions. The AER must also approve the transfer of any licence. The mandate of the AER includes environmental matters pertaining to upstream oil and gas development, as well as energy-related resource extraction and intra-provincial pipeline projects. For projects under its regulatory oversight, the AER is responsible for administering requirements and issuing permits and licences under, inter alia, the *Oil and Gas Conservation Act* (Alberta), the *Environmental Protection and Enhancement Act* (Alberta) and the *Water Act* (Alberta).

(e) Common Contractual Arrangements.

(i) Joint Operating Agreements.

Joint operating agreements (“JOAs”) are arrangements among co-owners of Working Interests in the same tract of land and governs the conduct of operations with respect to those jointly held lands, the maintenance of the associated title documents, the ownership and disposition of production, the surrender of joint lands, the abandonment of joint wells, the ability of the joint owners to dispose of or grant security in respect of their Working Interests, and a variety of other matters. JOAs typically adopt an industry-accepted operating procedure in addition to its specific terms. The most widely accepted standardized operating procedure is the CAPL Operating Procedure, particularly in the Western Canadian Sedimentary Basin.

(ii) Farmout Agreements.

Farmout agreements involve the beneficial Working Interest owner (the “**farmor**”) providing another party (the “**farmee**”) with the opportunity to earn all or a portion of the farmor’s interest under a Hydrocarbon Tenure. Generally, earning is achieved by the farmee conducting certain drilling operations on the farmout lands. The farmor often reserves a royalty payable by the farmee, which may or may not be convertible by the farmor to a Working Interest.

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(iii) Common Ownership Agreements.

Drilling spacing units are prescribed by the relevant Governmental Authority for the purpose of resource conservation and efficient production of oil and gas resources. They indicate the minimum distance required between wells, and between a well and the boundary of the adjacent tract. When the area covered by individually leased lands is less than the prescribed spacing unit, a pooling agreement may be used to combine two or more leases (or tracts of land). All combined tracts within the drilling spacing unit will be operated as a single unit. In Alberta, pooling arrangements to form the required spacing units may be voluntary or compulsory, in order to prevent unnecessary and uneconomic wells.

Similar in many respects to a pooling agreement, a unitization agreement is an agreement to treat the reservoir as a single ownership unit. This arrangement consolidates all of the Working Interests and Revenue Interests in a common reservoir, which may be comprised of any number of sections of Hydrocarbon Tenures, with a view to achieving the most economic and efficient production of the substances from the reservoir. The unit is operated as if there is one lease and one operator for the unitized zones and substances. There are typically two agreements involved: a unit agreement among the Working Interest holders and the Revenue Interest holders, and a unit operating agreement among just the Working Interest owners.

(iv) Revenue Interest Agreements.

Royalty, net profits, and net revenue agreements may create a legal interest in land or simply a contractual agreement for the payment of monies from the Working Interest payor to the Revenue Interest owner. The Revenue Interest is usually based on a specified percentage of the total production, and the related agreement will generally address allowable deductions and the Revenue Interest holder's right to take production in kind. Sometimes the Revenue Interest holder will be granted an option to convert the Revenue Interest to a Working Interest.

(v) Construction, Ownership and Operating Agreements.

Construction, ownership, and operation agreements ("CO&Os") are the most common type of agreement used by facility owners to address the terms of ownership, the manner in which operations are conducted (during and after construction), the allocation of facility costs, and the assignability of facility interests. CO&Os also set out the basis for allocating facility products to parties delivering hydrocarbon substances to the facility.

(f) Environmental Regulation.

The oil and gas industry in Canada is subject to a comprehensive suite of environmental regulations pursuant to a variety of Provincial and Federal legislation. Compliance with such legislation may require significant expenditures or result in operational restrictions, and any breach of such requirements may result in revocation of necessary licences and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which may have a significant negative impact on

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earnings and overall competitiveness of REX. In addition to these specific, known requirements, future changes to environmental legislation, including anticipated legislation for asset retirement obligations (“ARO”) and air pollution and greenhouse gas (“GHG”) emissions, may impose further requirements on operators and other companies in the oil and gas industry.

Canadian environmental regulation is the shared responsibility of both the Federal government and Provincial governments. Where there is a direct conflict between Federal and Provincial environmental legislation in relation to the same matter, the Federal law will prevail; however, such conflicts are uncommon. The Federal government has primary jurisdiction over Federal works, undertakings and Federally regulated industries such as railways, aviation and interprovincial transport. The *Environmental Protection Act* (Canada) and the *Environmental Assessment Act* (Canada) provide the foundation for the Federal government to protect the environment and cooperate with Provinces in this regard.

(i) Asset Retirement Obligations.

Applicable legislation in all jurisdictions in Canada requires the abandonment and reclamation of oil and gas infrastructure (including the affected lands) once they have reached the end of their productive life cycle. Where applicable, regulators also prescribe mandatory requirements for owners and operators in such end-of-life activities in order to ensure the protection of the public and the environment.

Abandonment, or decommissioning, consists of the permanent dismantlement of a well or facility, and includes both surface and subsurface abandonment. Reclamation is returning the land to its original state. A reclamation plan is typically required as part of the application for an energy development project. In Alberta, projects may only be closed, and surface leases terminated, once a reclamation certificate has been issued by the AER. Remediation on the other hand is only required in the event of a spill or contamination and involves the performance of environmental site assessments. In Alberta, once a spill has been remediated, companies may apply for a remediation certificate. If remediation is required, it must be performed prior to reclaiming the land. The AER may conduct inspections or audits, and reclamation certificates may be cancelled. In Alberta, operators of oil and gas facilities remain liable for surface reclamation issues for 25 years and permanently liable for contamination issues.

Due to Western Canada’s aging energy infrastructure and recent economic difficulties, there is an increasing number of abandoned sites that have yet to be properly reclaimed. When companies become insolvent, and there are no longer any parties that are legally responsible for the site, it will become orphaned. In Alberta, orphaned sites become the responsibility of the Orphan Well Association which is funded by a levy on oil and gas operators, which in the future may become significant. Different liability management programs have been implemented in Western Canada in an attempt to ensure that companies will be held responsible for the abandonment and reclamation of the sites they own and operate.

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(ii) **Climate Change Regulations.**

As with all oil and gas producers REX's exploration and production activities will emit carbon dioxide, methane, nitrous oxide and other GHGs. Canada is a signatory to the United Nations Framework Convention on Climate Change ("UNFCCC") which was entered into in order to work towards stabilizing atmospheric concentrations of GHG emissions. In 2015 the UNFCCC adopted the Paris Agreement, pursuant to which Canada pledged a 30% reduction from 2005 levels by 2030, and in 2016 the Federal government announced that it would set a minimum price on carbon. Each Province is required to implement carbon pricing whether in the form of a carbon tax or a cap-and-trade system, and if the carbon price in a jurisdiction does not meet the Federal minimum price, the Federal government will step in and impose a carbon price that makes up the difference. In addition, Provincial goals for reducing emissions must be at least as stringent as Federal targets.

Alberta has developed a GHG emissions reduction program under the *Climate Change and Emissions Management Act* and the *Carbon Competitiveness Incentive Regulation*. Alberta's GHG emissions reduction system includes emissions trading systems, mandatory reporting and the creation of a *Climate Change and Emissions Management Fund* for implementing new technologies. Facilities that emit significant amounts of CO₂ are required to meet established emissions intensity benchmarks. If they are unable to do so through operational improvements, they have three credit mechanisms available to apply against their emissions, namely, they can: purchase emissions offsets; purchase emissions performance credits; or contribute to the Fund. The *Alberta Oil Sands Emissions Limit Act* sets a cumulative annual GHG emissions limit for all oil sand sites in Alberta.

The recent 2021 United Nations Climate Change Conference was the most important climate conference since the Paris Agreement and Canada's Prime Minister Trudeau delivered a national statement where he committed to cap Canada's oil and gas emissions at the pace and scale needed to get to net zero by 2050, making Canada the first major oil-producing nation to make such a commitment. Prime Minister Trudeau also joined other world leaders in formally signing on to the Global Methane Pledge, reiterating Canada's commitment to reducing oil and gas methane emissions by at least 75% below 2012 levels by 2030. It is expected that additional regulations eventually implemented by Canada will have an impact on the oil and gas industry as a whole, which could result in increased costs for REX to comply with such legislation. There remains ongoing uncertainty regarding Canada's short term and long term GHG emissions reduction targets and how such targets will be achieved.

(iii) **Species at Risk.**

The *Species at Risk Act* (Canada) ("SARA") identifies wildlife species considered at risk, categorizing them as threatened, endangered, extirpated or of special concern, and prohibits a number of specific activities related to listed species, including killing or harming the species, as well as the destruction of critical habitat that has been identified in any of the plans required under SARA. These include recovery strategies and action plans for endangered or threatened species and management plans for species of concern. The protections in SARA apply throughout Canada to all aquatic species and migratory birds

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regardless of whether the species are resident on Federal, Provincial, public or private land. This means that if a species is listed in SARA and is either an aquatic species or a migratory bird, there is a prohibition against harming it, or its residence, and the penalties for such harm can be substantial. For all other listed species, SARA's protections only apply on Federal lands, including National Parks and First Nation reserves. However, SARA also contains provisions under which it can be extended to protect other species throughout Canada, if the Federal government is of the view that the Provinces are not adequately protecting a listed species.

The *Migratory Birds Convention Act* (Canada) (the “**MBCA**”) enacts an international agreement between Canada and the U.S. for the protection of migratory birds. Although most of the statute focuses on the regulation of harvesting or hunting, it also contains some environmental protection provisions. The MBCA prohibits the deposit of substances harmful to migratory birds in any waters or areas frequented by migratory birds, except as authorized by regulation. It also prohibits the disturbance of the nests of migratory birds except as authorized by regulation. Some Provinces, including Alberta, have also enacted endangered species legislation.

(g) Obligations to Impacted Indigenous Communities.

REX's Hydrocarbon Tenures and operating permits are potentially subject to challenges by impacted Indigenous communities based on the duty of the Crown to consult and accommodate. Under the *Constitution Act, 1982* (Canada) the Crown has a fiduciary duty to consult Indigenous communities about decisions which may impact their rights and, where possible, accommodate their aboriginal interests. Though this duty is ultimately owed by the Crown, the Crown may delegate aspects of the consultation process to the Provincial agencies and may involve the proponent in the procedural aspects of the consultation. Many Indigenous communities and industry groups in Western Canada have established consultation protocols to standardize the consultation process, and to facilitate cooperative resolutions among Indigenous communities, government and industry. Many of these protocols and negotiations result in impact and benefit agreements (“**IBAs**”) pursuant to which concerns of the impacted Indigenous communities can be accommodated by way of compensation, and training, employment, procurement, and business opportunities. IBAs can vary considerably and are difficult to estimate or summarize as the terms of IBAs have historically remained confidential.

In 2014 the decision of the Supreme Court of Canada in *Tsilhqot'in Nation v. British Columbia*, determined that “aboriginal title” may exist over a particular tract of land in certain circumstances, and if so, such title grants the right to exclusive use and occupation such that the Crown, and others claiming through the Crown, must obtain the consent of the “aboriginal title” holder. Further, in instances where “aboriginal title” is alleged but remains unproven, the Crown still owes a procedural duty to consult with the applicable Indigenous community. If an industrial development were to proceed without consent from the “aboriginal title” holder, and a declaration of “aboriginal title” is subsequently made for the land on which the industrial development is situated, then such projects may be required to be cancelled. There is both uncertainty in the ability of one or more Indigenous communities to seek a

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declaration of “aboriginal title” to the lands upon which the project is located, and risk in proceeding with the development of the project without first obtaining the consent of the Indigenous community. It is apparent from judicial decisions and governmental pronouncements that Indigenous communities will in the future be accorded increasingly greater control over, and participation in, decisions regarding the development of resource projects in Canada. It remains unclear as to what the nature of such additional control and participation may be, and how they may impact the development of REX’s assets. In this regard we note that on June 21, 2021 Canada enacted the *United Nations Declaration on the Rights of Indigenous Peoples Act* which provides mechanisms for the Federal Crown and Indigenous peoples to work together to implement the United Nations Declaration on the Rights of Indigenous Peoples (“**UNDRIP**”) based on lasting reconciliation, healing, and cooperative relations. UNDRIP is an international instrument adopted by the United Nations to recognize the rights that “constitute the minimum standards for the survival, dignity and well-being of the indigenous peoples of the world.” UNDRIP recognizes various rights, including the right to self-determination and autonomy in internal affairs, the right to be free from discrimination, and most significantly the right to free, prior and informed consent for the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.

4. Summary of Risks.

The following are general risks and issues that may affect REX and/or its operations with respect to the Hydrocarbon Interests now or in the future:

(a) Operational Regulation.

The oil and natural gas industry in Canada is subject to extensive regulation governing its operations imposed by Federal, Provincial and municipal governments and affecting land tenure and access, exploration, development, production, refining, transportation and marketing. While it is not expected that any of these operational regulations will affect REX in a manner materially different than they would affect other oil and gas companies of similar size, with assets in the vicinity of the Wizard Lake Area, it is expected that the burdens associated with such operational regulation will increase in the future.

(b) Environmental Regulation.

All phases of the oil and gas business present environmental risks and hazards and are subject to comprehensive environmental regulation pursuant to Federal, Provincial, and municipal laws, as well as, potentially, international conventions. Environmental legislation provides for, among other things: restrictions and prohibitions on spills, releases, and discharges; emissions of various substances produced in association with oil and gas operations; asset retirement obligations; and habitat and species at risk protection and minimum setbacks of oil and gas facilities from freshwater bodies. The legislation also requires that wells and facility sites be operated, maintained, abandoned, and reclaimed

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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, penalties, and restrictions, some of which can be material or materially affect a company's operations. Certain environmental protection legislation may also subject a company to statutory strict liability in the event of accidental spills or discharges from licensed facilities meaning that fault need not be established by claimants affected by any such a spill or discharge. Further, as Canadian environmental legislation evolves, the use of administrative penalties by the imposition of fines for the commission of environmental offences on an absolute liability basis has grown. Environmental legislation is evolving in a manner that has and is expected to continue to result in stricter standards and enforcement, larger fines, liabilities and sanctions, and potentially increased capital expenditures and operating costs. While it is not expected that any of these environmental regulations will affect REX in a manner materially different than they would affect other oil and gas companies of similar size, with assets in the vicinity of the Wizard Lake Area, it is expected that the burdens associated with such environmental regulation will increase in the future.

(c) Indigenous Communities.

Certain of the Hydrocarbon Interests overlap Crown mineral rights that appear to be within the area claimed by the Treaty 6 First Nations. Treaty 6 is one of 11 historical numbered treaties that were signed by the Federal Crown and various First Nations between 1871 and 1877. The Hydrocarbon Interests may in the future be the subject of First Nations land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on REX's ownership interest in the Hydrocarbon Interests cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the Wizard Lake Area, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on REX's operations. Even in the absence of such formal recognition, REX may at some point be required to negotiate with Indigenous communities in order to facilitate exploration and development work with respect to the Hydrocarbon Interests.

5. Analysis of Hydrocarbon Interests.

We have conducted an examination of the Hydrocarbon Interests and render the following report in respect thereof.

(a) Scope of Report.

In general, the Hydrocarbon Interest reports provided by us fall into three distinct categories, namely: Tenure Issuance Reports in respect of Freehold Tenures; Tenure Subsistence Reports in respect of Freehold Tenures; and Beneficial Entitlement Reports in respect of all Hydrocarbon Tenures. This Report in respect of the Hydrocarbon Interests is limited to a Tenure Subsistence Report and a Beneficial Entitlement Report and accordingly the Freehold Tenures are assumed to have been validly issued as of the Effective Date.

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(b) Hydrocarbon Tenure Subsistence and Beneficial Entitlement.

Based upon our review of the Title Documents and the Title Searches, and subject to the General Qualifications and to any Specific Qualifications, we are of the view that: the Hydrocarbon Tenures were subsisting as of the Effective Date; the parties identified in Schedule "A" hereto under the heading "Mineral Fee Interest Owners" are beneficially entitled to the Mineral Fee Interests; and the parties identified in Schedule "A" hereto under the heading "Working Interest Owners" are beneficially entitled to the Working Interests, subject only to the listed Revenue Interests.

This Title Report and Summary was prepared for the purposes referred to above and is addressed to and is for the sole use and benefit of WBE. This Title Report and Summary may not be assigned or relied upon by any other person or entity for any other purpose other than in connection with the Purpose without our prior written consent.

The Effective Date of this Report is December 13, 2021. With respect to all matters subsequent to the Effective Date and up to the date hereof we are assuming that there has been no material change in and to the Hydrocarbon Interests. If new material information comes to our attention from and after the date hereof, and while the Report is still being considered by users in connection with the Purpose, we will update our Report accordingly.

If you have any questions or concerns in respect of the foregoing, please do not hesitate to contact the undersigned. Thank you.

Yours very truly,

Jamieson Laurin + Co.



William M. Laurin

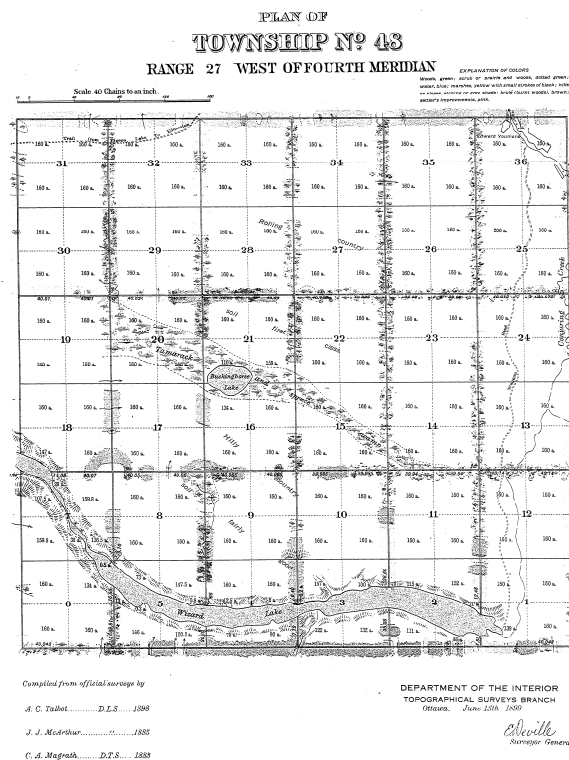
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SCHEDULE "A"
Hydrocarbon Interests

Tract 1	047-27-W4M: Sec. 32
Tract 2	048-27-W4M: N½ of Sec. 04
Tract 3	048-27-W4M: Sec. 05 excluding Water Body
Tract 4	048-27-W4M: Portion of Sec. 05 underlying Water Body
Tract 5	048-27-W4M: Sec. 08
Tract 6	048-27-W4M: W½ of Sec. 09
Tract 7	048-27-W4M: W½ of Sec. 16
Tract 8	048-27-W4M: E½ of Sec. 17
Tract 9	048-27-W4M: S½ of Sec. 17
Tract 10	048-27-W4M: Sec. 20
Tract 11	048-27-W4M: Sec. 21 excluding Water Body
Tract 12	048-27-W4M: Portion of LSDs 03 and 04 of Sec. 21 underlying Water Body
Tract 13	048-27-W4M: Sec. 22
Tract 14	048-28-W4M: Sec. 24



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Tract 1

Lands.	047-27-W4M: Sec. 32 CONTAINING 640 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.
Tenure.	Alberta Crown Petroleum and Natural Gas Lease No. 0417120142 (REX File M1162).
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Below the Base of the Edmonton Group (DRRZD 00280) to the basement.
Working Interest Owners.	100% REX 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Alberta Crown lessor royalty.

Title Document Summary & Specific Qualifications

1. Alberta Crown Petroleum and Natural Gas Lease No. 0417120142 (REX File M1162) issued December 21, 2017 to Forge Oil & Gas Limited, expiring December 21, 2022, and currently in the name of Rex Energy Ltd.
2. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein, inter alia, the parties create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27-W4M: Secs. 31 to 33, and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
3. Draft Purchase and Sale Agreement dated September 19, 2019 (REX File C807) between Forge Oil & Gas Limited, as transferor, and Salt Bush Energy Ltd., as transferee.

Specific Qualification. We have assumed that Salt Bush Energy Ltd. acquired the entire interest of Forge Oil & Gas Limited in and to Lease No. 0417120142 pursuant to a Purchase and Sale Agreement dated September 19, 2019 (REX File C807), although an executed version of such document was not provided for our review.

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4. Notice dated October 2, 2019 from Salt Bush Energy Ltd. to Point Loma Resources Ltd. wherein, pursuant to the Farmout and Option Agreement dated May 29, 2019, Salt Bush Energy Ltd. provides notice of the acquisition of 047-27-W4M: Sec. 32, and Point Loma elects not to acquire its 50% Working Interest.
5. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 2

Lands.	048-27-W4M: N½ of Sec. 04 CONTAINING 320 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.
Tenure.	Alberta Crown Petroleum and Natural Gas Lease No. 0419070069 (REX File M1161).
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Surface to the base of the Nisku Formation (DRRZD 00023).
Working Interest Owners.	100% REX 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Alberta Crown lessor royalty, calculated in the case of the 103/12-04-048-27W4/0 well, with respect to 77.6709% of production pursuant to the Wizard Lake Upper Mannville Agreement Production Allocation Unit Agreement effective December 1, 2019. Gross overriding royalty of 2%, calculated with reference to (a) 25% of production in respect of the 103/12-04-048-27W4/0 well, and (b) 50% of production with respect to the balance, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the parties create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
2. Alberta Crown Petroleum and Natural Gas Lease No. 0419070069 (REX File M01161) issued July 18, 2019 to Salt Bush Energy Ltd., expiring July 18, 2024, and currently in the name of Rex Energy Ltd.

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3. Notice dated July 24, 2019 from Salt Bush Energy Ltd. to Point Loma Resources Ltd. wherein, pursuant to the Farmout and Option Agreement dated May 29, 2019, Salt Bush Energy Ltd. provides notice of the acquisition of 048-27-W4M: N½ of Sec. 4, and Point Loma Resources Ltd. elects to acquire a 50% Working Interest.
4. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: 5 (70/60/50), 8 (25/50/60/70), 9 (70/60/50), W16 (70/60/50), 17 (70/60/50), 20 (50), 21 (50), and 22 (70/60/50). The parties further adopt an area of mutual interest covering 047-R27-W4M: Secs. 31 to 36, and 048-27-W4M: Secs. 1 to 36, for the period ending December 31, 2021, wherein the Source Rock has the option to acquire a 2% overriding royalty in acquired AMI Lands for a calculated consideration. The Agreement applies to lands that are reacquired within 24 months of expiry, forfeiture, or surrender.
5. Notice of Acquisition dated November 19, 2019 from Point Loma Resources Ltd. to Source Rock Royalties Ltd., wherein pursuant to the Royalty Agreement dated August 9, 2019 Point Loma advises that it has acquired an undivided 50% Working Interest in 048-27-W4M: N½ of Sec. 4 and Source Rock elects to acquire a 2% GOR.
6. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
7. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
8. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
9. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
10. Wizard Lake Upper Mannville Agreement Production Allocation Unit Agreement effective December 1, 2019 (REX File C881) and executed August 23, 2021 between Salt Bush Energy Ltd., the Crown in Right of the Province of Alberta, and PrairieSky Royalty Ltd., pertaining to NW¼ of Sec. 4 as to 22.2391% (Crown) and W½ of Sec. 9 as to 77.6709% (PSK) as to the Upper Mannville production from the 103/12-04-048-27W4/0 well.
11. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020

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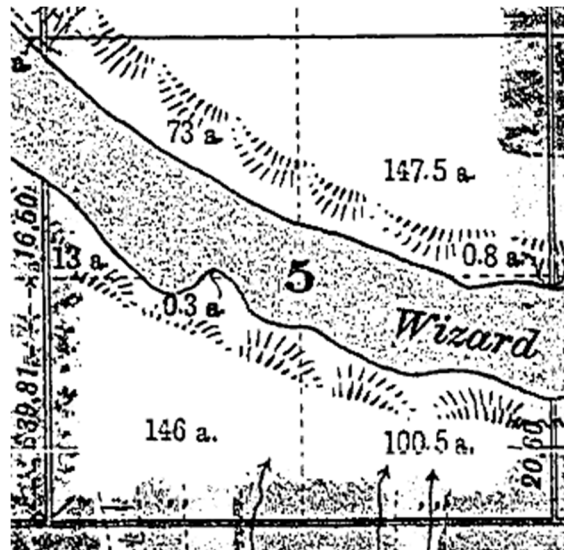
the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.

12. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 3

Lands. 048-27-W4M: ALL THOSE PORTIONS OF Sec. 05 NOT COVERED BY ANY OF THE WATERS OF WIZARD LAKE AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP DATED 13 JUNE 1899 CONTAINING 481.1 ACRES, MORE OR LESS.



Mineral Fee Interest Owners. PRAIRIESKY ROYALTY LTD. AS TO ALL MINES AND MINERALS (WHICH WITHOUT RESTRICTING THE GENERALITY THEREOF SHALL BE DEEMED TO INCLUDE ALL GAS AND PETROLEUM) EXCEPT COAL.

Tenure. Lease Issuance Agreement dated November 29, 2021 between PrairieSky Royalty Ltd. and Rex Energy Ltd.

Leased Substances. Petroleum and natural gas.

Demised Estate. Manville (as defined in the Lease Issuance Agreement dated November 29, 2021).

Working Interest Owners. 100% REX
100%

Continuation Status. Primary term.

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Revenue Interest Owners. Freehold lessor royalty of 17.5% payable to PRAIRIESKY ROYALTY LTD.

Gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Instrument 6063LF registered 02/02/1959, currently in the name of CANADIAN PACIFIC OIL AND GAS LIMITED, purports to protect a fee simple interest in all mines and minerals held by virtue of a Transfer of Land dated October 1, 1958 granted by Canadian Pacific Railway Company in favour of Canadian Pacific Oil and Gas Limited.

Specific Qualification. As PrairieSky Royalty Ltd. acquired its fee simple interest from Encana Corporation (as successor by amalgamation and name change to Canadian Pacific Oil and Gas Limited) we have assumed that Instrument 6063LF is not adverse in interest, however we recommend that this Instrument nonetheless be discharged or lapsed.

2. Instrument 3110NS registered 15/05/1964, currently in the name of TRANSALTA MINERALS LTD., purports to protect a gross overriding royalty of 1% granted to TransAlta Minerals Ltd. by Camac Explorations Ltd. pursuant to an Agreement dated March 30, 1964, and evidences that Camac Explorations Ltd. was the holder of a Farmout Agreement from Canadian Pacific Railway Company.

Specific Qualification. We have assumed that the rights granted by the Farmout Agreement referenced in Instrument 3110NS have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated November 29, 2021, and accordingly that the associated 1% gross overriding royalty referenced in Instrument 3110NS is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

3. Certificate of Title 142 208 009 +23 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD.
4. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
5. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.
6. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well,

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where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.

7. Instrument 192 194 167 registered 16/08/2019, currently in the name of SALT BUSH ENERGY LTD., purports to protect a Mineral Lease granted by PrairieSky Royalty Ltd. to Point Loma Resources Ltd. and a Joint Venture Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

Specific Qualification. We have assumed that the rights granted by the Mineral Lease referenced in Instrument 192 194 167 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated November 29, 2021, and accordingly that Instrument 192 194 167 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

8. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: 5 (70/60/50), 8 (25/50/60/70), 9 (70/60/50), W16 (70/60/50), 17 (70/60/50), 20 (50), 21 (50), and 22 (70/60/50). The parties further adopt an area of mutual interest covering 047-R27-W4M: Secs. 31 to 36, and 048-27-W4M: Secs. 1 to 36, for the period ending December 31, 2021, wherein the Source Rock has the option to acquire a 2% overriding royalty in acquired AMI Lands for a calculated consideration. The Agreement applies to lands that are reacquired within 24 months of expiry, forfeiture, or surrender.
9. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
10. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
11. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
12. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
13. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020

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the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.

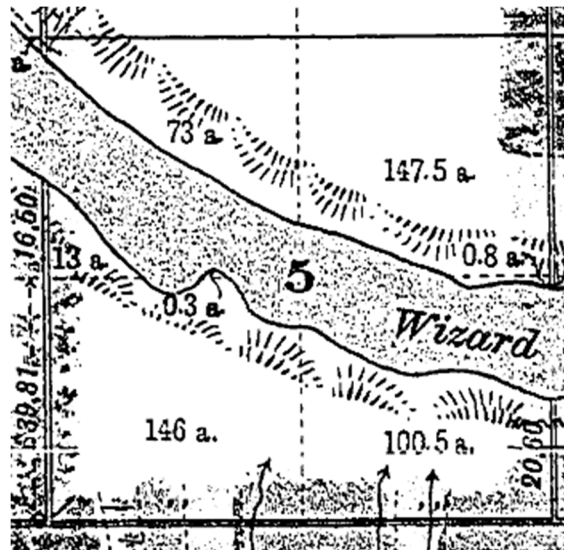
14. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
15. Lease Issuance Agreement dated November 29, 2021 (REX File M01169) between PrairieSky Royalty Ltd. and Rex Energy Ltd., wherein PrairieSky agrees to grant petroleum and/or natural gas leases in respect of 048-27-W4M: Ptn. Of Sec. 5 (PNG), and W½ of Sec. 17 as to the Mannville (P only), which leases are to be dated November 29, 2021, have a primary term of 3 months (expiring November 28, 2024), and provide for a lessor royalty of 17.5%.

Specific Qualification. We recommend that Rex Energy Ltd. register a caveat to protect its interests under the Lease Issuance Agreement dated November 29, 2021.

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Tract 4

Lands. 048-27-W4M: That Portion of NE¼ of Sec. 05 DESIGNATED AS WIZARD LAKE ON A TOWNSHIP PLAN APPROVED AND CONFIRMED BY THE SURVEYOR GENERAL AT OTTAWA ON 1899/06/13, CONTAINING 12.5 ACRES, MORE OR LESS.



Mineral Fee Interest Owners. THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.

Tenure. Alberta Crown Petroleum and Natural Gas Lease No. 0420030088 (REX File M1164).

Leased Substances. Petroleum and natural gas.

Demised Estate. Mannville Group (DRRZD 00004).

Working Interest Owners. 100% REX
100%

Continuation Status. Primary term.

Revenue Interest Owners. Alberta Crown lessor royalty.

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Gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: 5 (70/60/50), 8 (25/50/60/70), 9 (70/60/50), W16 (70/60/50), 17 (70/60/50), 20 (50), 21 (50), and 22 (70/60/50). The parties further adopt an area of mutual interest covering 047-R27-W4M: Secs. 31 to 36, and 048-27-W4M: Secs. 1 to 36, for the period ending December 31, 2021, wherein the Source Rock has the option to acquire a 2% overriding royalty in acquired AMI Lands for a calculated consideration. The Agreement applies to lands that are reacquired within 24 months of expiry, forfeiture, or surrender.
2. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
3. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
4. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
5. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
6. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
7. Alberta Crown Petroleum and Natural Gas Lease No. 0420030088 (REX File M1164) issued March 17, 2020 to Salt Bush Energy Ltd., expiring March 17, 2025, and currently in the name of Rex Energy Ltd.

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8. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
9. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 5A

Lands.	048-27-W4M: S½ and NE¼ of Sec. 08 CONTAINING 480 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	PRAIRIESKY ROYALTY LTD. AS TO ALL GRAVEL AND VALUABLE STONE AND ALL MINES AND MINERALS (WHICH WITHOUT RESTRICTING THE GENERALITY THEREOF, SHALL BE DEEMED TO INCLUDE ALL GAS, PETROLEUM AND RELATED HYDROCARBONS AND GYPSUM) EXCEPT COAL.
Tenure.	Petroleum and Natural Gas Lease dated February 12, 2019 (REX File M618) between Paramount Resources Ltd., as lessor, and Point Loma Resources Ltd., as lessee.
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Mannville formation (an undefined term in the Petroleum and Natural Gas Lease dated February 12, 2019).
Working Interest Owners.	100% REX 100%
Continuation Status.	Post-primary term continuation on the basis of the 00/01-08-048-27W4/0 well.
Revenue Interest Owners.	Freehold lessor royalty of 16% payable to PRAIRIESKY ROYALTY LTD. as to 9.5% and to Canpar Holdings Ltd. as to 6.5%. Gross overriding royalty of 2%, calculated with reference to (a) 25% of production in respect of the 00/01-08-048-27W4/0 well, and (b) 50% of production with respect to the balance, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

- Instrument 862 204 201 registered 23/09/1986 by CANPAR HOLDINGS LTD., purports to protect a royalty granted by Dome Petroleum Limited pursuant to the terms of: (a) a Mineral Rights Conveyance and Royalty Grant dated January 31, 1979 between Canpar Oil & Gas Ltd. and Dome Petroleum Limited, (b) a Distribution of Assets Agreement dated June 22, 1979 between Canpar Oil & Gas Ltd. and Canpar Holdings Ltd., (c) an Assignment and Novation Agreement dated June 22, 1979 among Canpar Oil & Gas Ltd., Canpar Holdings Ltd., Dome Petroleum Limited, Provo

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Gas Producers Limited and Toronto-Dominion Bank, and (d) an Amendment to Dome Offer and Mineral Rights Conveyance and Royalty Grant dated December 20, 1983 among Canpar Holdings Ltd., Dome Petroleum Limited and Provo Gas Producers Limited.

2. Instrument 002 083 042 registered 31/03/2000 by CANPAR HOLDINGS LTD., purports to protect a royalty in petroleum, natural gas and related hydrocarbons (excluding heavy oil) granted by Dome Petroleum Limited pursuant to the terms of: (a) a Mineral Rights Conveyance and Royalty Grant dated January 31, 1979 between Canpar Oil & Gas Ltd. and Dome Petroleum Limited, as amended, supplemented and restated from time to time prior to December 1, 1993, (b) a Novation Agreement dated June 22, 1979 pursuant to which Canpar Holdings Ltd. was novated into the Mineral Rights Conveyance and Royalty Grant dated January 31, 1979, (c) a Net Profits Interest Conveyance dated January 31, 1979 between Canpar Holdings Ltd. and Provo Gas Producers Limited, as amended by agreement dated December 20, 1983; (d) Amended Management and Operating Agreement dated December 20, 1983 among Canpar Holdings Ltd., Dome Petroleum Limited, Provo Gas Producers Limited and 124910 Canada Inc., (e) Siebens Lands Canpar Acquired Asset Sale Agreement No. 1 dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd. (as successor by amalgamation to Dome Petroleum Limited), and (f) Canpar Restated Mineral Rights Conveyance and Royalty Granted dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd.
3. Instrument 002 083 043 registered 31/03/2000 by CANPAR HOLDINGS LTD., purports to protect a royalty in heavy oil (defined as petroleum in situ that when produced from any well has an API gravity of 20 degrees or less and a viscosity greater than 100 Centipois at 15 degrees Celsius, as determined from a sample of petroleum taken from such well after it has cumulative production of at least 500 cubic meters of petroleum and which sample is from production taken from such well on the last day of a continuous stabilized production test of at least seven (7) days and which sample must be weathered for at least 24 hours prior to the determination of its physical characteristics) granted by (a) Siebens Lands Canpar Acquired Asset Sale Agreement No. 1 dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd. (as successor by amalgamation to Dome Petroleum Limited), and (b) Canpar Restated Mineral Rights Conveyance and Royalty Granted dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd.
4. Instrument 002 083 044 registered 31/03/2000 by CANPAR HOLDINGS LTD., purports to protect a royalty in petroleum, natural gas and related hydrocarbons (excluding heavy oil) granted by Dome Petroleum Limited pursuant to the terms of: (a) a Mineral Rights Conveyance and Royalty Grant dated January 31, 1979 between Canpar Oil & Gas Ltd. and Dome Petroleum Limited, as amended, supplemented and restated from time to time prior to December 1, 1993, (b) a Novation Agreement dated June 22, 1979 pursuant to which Canpar Holdings Ltd. was novated into the Mineral Rights Conveyance and Royalty Grant dated January 31, 1979, (c) a Net Profits Interest Conveyance dated January 31, 1979 between Canpar Holdings Ltd. and Provo Gas

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Producers Limited, as amended by agreement dated December 20, 1983; (d) Amended Management and Operating Agreement dated December 20, 1983 among Canpar Holdings Ltd., Dome Petroleum Limited, Provo Gas Producers Limited and 124910 Canada Inc., (e) Siebens Lands Canpar Acquired Asset Sale Agreement No. 1 dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd. (as successor by amalgamation to Dome Petroleum Limited), and (f) Canpar Restated Mineral Rights Conveyance and Royalty Granted dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd.

5. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
6. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.
7. Petroleum and Natural Gas Lease dated February 12, 2019 (REX File M00618) between Paramount Resources Ltd., as lessor, and Point Loma Resources Ltd., as lessee, pertaining to 048-27-W4M: Sec. 08 as to a 100% mineral interest in the Mannville formation only, and providing for a primary term of 2 years expiring February 11, 2021, and a lessor royalty of 16%. Subclause 4(c) provides that the lessor royalty shall be inclusive of any prior disposition of any royalty or other interest in the leased substances and agrees to make all payments. Subclause 4(d) indicates that the previously existing Canpar royalty is 6.5%. Post primary term continuation is for "so long thereafter as Operations ... are conducted upon the Said Lands, the Pooled Lands or the Unitized Lands, with no cessation, in the case of each cessation of Operations of more than 90 consecutive days", where the term "Operations" is defined as "(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the Said Lands or injecting substances by means of a well, in search for or in an endeavor to obtain, maintain or increase production of any Leased Substance from the Said Lands, the Pooled Lands or the Unitized Lands; (ii) the production of any Leased Substance; (iii) the recovery of any injected substance; (iv) the extraction of water for the purpose of obtaining, maintaining or increasing production of Leased Substances from the Said Lands, Pooled Lands or Unitized Lands; or (v) any acts for or incidental to any of the foregoing".

Specific Qualification. We have assumed the existing 6.5% royalty to Canpar Holdings Ltd. referenced in the Petroleum and Natural Gas Lease dated February 12, 2019 is equivalent to the royalties referenced in Instrument 862 204 201, Instrument 002 083 042, Instrument 002 083 043, and Instrument 002 083 044, and that the 16% lessor royalty is inclusive thereof.

Specific Qualification. We have assumed that the Petroleum and Natural Gas Lease dated February 12, 2019 is continuing after the primary term on the basis of the 00/01-08-048-27W4/0 well, however we recommend obtaining written confirmation from PrairieSky Royalty Ltd. that such is the case.

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8. Notice dated February 28, 2019 from Point Loma Resources Ltd. to Salt Bush Energy Ltd. wherein, pursuant to the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017, Point Loma provides notice of the successful acquisition of 048-27-W4M: Sec. 8, and Salt Bush Energy Ltd. elects to acquire a 30% Working Interest therein.
9. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
10. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: Sec. 8 with respect to the 00/01-08-048-27W4/0 well, Pre-Earn WI - 70%, Test Well BPO WI - 25%, Test Well APO WI - 60%, and Test Well APO & Option Well After Earning WI - 50%, and with respect to the balance, Pre-Earn WI - 70%, Test Well After Earning WI - 60%, and Option Well After Earning WI - 50%.
11. Instrument 192 194 151 registered 16/08/2019 by SALT BUSH ENERGY LTD., purports to protect a Mineral Lease between Apache Canada Ltd. and Point Loma Resources Ltd., and a Joint Venture Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

Specific Qualification. We have assumed that the Mineral Lease referenced in Instrument 192 194 151 is, in fact, the Petroleum and Natural Gas Lease dated February 12, 2019 granted by Paramount Resources Ltd., notwithstanding the incorrect reference to Apache Canada Ltd. as the lessor, and accordingly that Instrument 192 194 151 is not adverse in interest. We nonetheless recommend that a new caveat in respect of the Petroleum and Natural Gas Lease dated February 12, 2019 be registered, and that Instrument 192 194 151 be discharged or lapsed.

12. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
13. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
14. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.

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15. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
16. Assignment of PrairieSky Fee Lease dated June 8, 2020 among BDO Canada Limited, Appointed Receiver for Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and PrairieSky Royalty Ltd., as third party, pertaining to Petroleum Lease and Natural Gas Lease dated November 27, 2018 for 048-27-W4M: Ptn. Of Sec. 21, and Petroleum and Natural Gas Lease dated February 12, 2019 pertaining to 048-27-W4M: Sec. 8.
17. Assignment of Lessor Freehold Lease dated February 5, 2021 between Paramount Resources Ltd., as assignor, and PrairieSky Royalty Ltd., as assignee, pertaining to Petroleum and Natural Gas Lease dated February 12, 2019 pertaining to 048-27-W4M: Sec. 8.
18. Certificate of Title 212 074 666 +4 issued 25/03/2021 to PRAIRIESKY ROYALTY LTD. and pertaining to 048-27-W4M: S½ of Sec. 08.
19. Certificate of Title 212 074 666 +19 issued 25/03/2021 to PRAIRIESKY ROYALTY LTD. and pertaining to 048-27-W4M: N½ of Sec. 08.
20. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
21. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 5B

Lands.	048-27-W4M: NW¼ of Sec. 08 CONTAINING 160 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	PRAIRIESKY ROYALTY LTD. AS TO ALL MINES AND MINERALS (WHICH WITHOUT RESTRICTING THE GENERALITY THEREOF SHALL BE DEEMED TO INCLUDE ALL GAS, PETROLEUM AND RELATED HYDROCARBONS, GYPSUM, VALUABLE STONE AND GRAVEL) EXCEPT COAL.
Tenure.	Petroleum and Natural Gas Lease dated February 12, 2019 (REX File M618) between Paramount Resources Ltd., as lessor, and Point Loma Resources Ltd., as lessee.
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Mannville formation (an undefined term in the Petroleum and Natural Gas Lease dated February 12, 2019), excluding the Wizard Lake Upper Mannville B Pool (as defined by the AER).
Working Interest Owners.	100% REX 100%
Continuation Status.	Post-primary term continuation on the basis of the 00/01-08-048-27W4/0 well.
Revenue Interest Owners.	Freehold lessor royalty of 16% payable to PRAIRIESKY ROYALTY LTD. as to 9.5% and to Canpar Holdings Ltd. as to 6.5%. Gross overriding royalty of 2%, calculated with reference to 50% of production with respect to the balance, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

- Instrument 862 204 201 registered 23/09/1986 by CANPAR HOLDINGS LTD., purports to protect a royalty granted by Dome Petroleum Limited pursuant to the terms of: (a) a Mineral Rights Conveyance and Royalty Grant dated January 31, 1979 between Canpar Oil & Gas Ltd. and Dome Petroleum Limited, (b) a Distribution of Assets Agreement dated June 22, 1979 between Canpar Oil & Gas Ltd. and Canpar Holdings Ltd., (c) an Assignment and Novation Agreement dated June 22, 1979 among Canpar Oil & Gas Ltd., Canpar Holdings Ltd., Dome Petroleum Limited, Provo Gas Producers Limited and Toronto-Dominion Bank, and (d) an Amendment to Dome Offer and

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Mineral Rights Conveyance and Royalty Grant dated December 20, 1983 among Canpar Holdings Ltd., Dome Petroleum Limited and Provo Gas Producers Limited.

2. Instrument 002 083 042 registered 31/03/2000 by CANPAR HOLDINGS LTD., purports to protect a royalty in petroleum, natural gas and related hydrocarbons (excluding heavy oil) granted by Dome Petroleum Limited pursuant to the terms of: (a) a Mineral Rights Conveyance and Royalty Grant dated January 31, 1979 between Canpar Oil & Gas Ltd. and Dome Petroleum Limited, as amended, supplemented and restated from time to time prior to December 1, 1993, (b) a Novation Agreement dated June 22, 1979 pursuant to which Canpar Holdings Ltd. was novated into the Mineral Rights Conveyance and Royalty Grant dated January 31, 1979, (c) a Net Profits Interest Conveyance dated January 31, 1979 between Canpar Holdings Ltd. and Provo Gas Producers Limited, as amended by agreement dated December 20, 1983; (d) Amended Management and Operating Agreement dated December 20, 1983 among Canpar Holdings Ltd., Dome Petroleum Limited, Provo Gas Producers Limited and 124910 Canada Inc., (e) Siebens Lands Canpar Acquired Asset Sale Agreement No. 1 dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd. (as successor by amalgamation to Dome Petroleum Limited), and (f) Canpar Restated Mineral Rights Conveyance and Royalty Granted dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd.
3. Instrument 002 083 043 registered 31/03/2000 by CANPAR HOLDINGS LTD., purports to protect a royalty in heavy oil (defined as petroleum in situ that when produced from any well has an API gravity of 20 degrees or less and a viscosity greater than 100 Centipois at 15 degrees Celsius, as determined from a sample of petroleum taken from such well after it has cumulative production of at least 500 cubic meters of petroleum and which sample is from production taken from such well on the last day of a continuous stabilized production test of at least seven (7) days and which sample must be weathered for at least 24 hours prior to the determination of its physical characteristics) granted by (a) Siebens Lands Canpar Acquired Asset Sale Agreement No. 1 dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd. (as successor by amalgamation to Dome Petroleum Limited), and (b) Canpar Restated Mineral Rights Conveyance and Royalty Granted dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd.
4. Instrument 002 083 044 registered 31/03/2000 by CANPAR HOLDINGS LTD., purports to protect a royalty in petroleum, natural gas and related hydrocarbons (excluding heavy oil) granted by Dome Petroleum Limited pursuant to the terms of: (a) a Mineral Rights Conveyance and Royalty Grant dated January 31, 1979 between Canpar Oil & Gas Ltd. and Dome Petroleum Limited, as amended, supplemented and restated from time to time prior to December 1, 1993, (b) a Novation Agreement dated June 22, 1979 pursuant to which Canpar Holdings Ltd. was novated into the Mineral Rights Conveyance and Royalty Grant dated January 31, 1979, (c) a Net Profits Interest Conveyance dated January 31, 1979 between Canpar Holdings Ltd. and Provo Gas Producers Limited, as amended by agreement dated December 20, 1983; (d) Amended

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Management and Operating Agreement dated December 20, 1983 among Canpar Holdings Ltd., Dome Petroleum Limited, Provo Gas Producers Limited and 124910 Canada Inc., (e) Siebens Lands Canpar Acquired Asset Sale Agreement No. 1 dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd. (as successor by amalgamation to Dome Petroleum Limited), and (f) Canpar Restated Mineral Rights Conveyance and Royalty Granted dated December 1, 1993 between Canpar Holdings Ltd. and Amoco Canada Resources Ltd.

5. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
6. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.
7. Petroleum and Natural Gas Lease dated February 12, 2019 (REX File M00618) between Paramount Resources Ltd., as lessor, and Point Loma Resources Ltd., as lessee, pertaining to 048027-W4M: Sec. 08 as to a 100% mineral interest in the Mannville formation only, and providing for a primary term of 2 years expiring February 11, 2021, and a lessor royalty of 16%. Subclause 4(c) provides that the lessor royalty shall be inclusive of any prior disposition of any royalty or other interest in the leased substances, and agrees to make all payments. Subclause 4(d) indicates that the previously existing Canpar royalty is 6.5%. Post primary term continuation is for "so long thereafter as Operations ... are conducted upon the Said Lands, the Pooled Lands or the Unitized Lands, with no cessation, in the case of each cessation of Operations of more than 90 consecutive days", where the term "Operations" is defined as "(i) drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing a well or equipment on or in the Said Lands or injecting substances by means of a well, in search for or in an endeavor to obtain, maintain or increase production of any Leased Substance from the Said Lands, the Pooled Lands or the Unitized Lands; (ii) the production of any Leased Substance; (iii) the recovery of any injected substance; (iv) the extraction of water for the purpose of obtaining, maintaining or increasing production of Leased Substances from the Said Lands, Pooled Lands or Unitized Lands; or (v) any acts for or incidental to any of the foregoing". Clause 9 provides that if the Leased Lands are burdened by a prior agreement where a third party may serve an offset notice to Lessor related to an Offset Well or any other well in a Spacing Unit offsetting the Said Lands, upon Lessee's receipt of a copy of such notice from Lessor, the provisions of Clause 8 shall be deemed amended to the extent necessary to satisfy the third party offset obligations, as follows: (a) Lessee shall observe, respect and comply with the offset provisions of the Third Party Offset Obligations, excepting thereout any opportunity to elect to farmout the interest of Lessee or Lessor under the Third Party Offset Obligations; (b) the response times for the Lessee to comply with the Third Party Offset Obligations shall be one half of those provided for in the Third Party Offset Notice; (c) the liability and indemnity provisions contained in Clause 12 shall apply mutatis mutandis with respect to any costs,

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damages and expenses which Lessor may suffer, sustain, pay or incur or any actions, causes of action, proceedings, suits, claims, expenses and demands which may be brought against or suffered by the Lessor or which It may sustain, pay or incur by reason of Lessee's failure to comply with Third Party Offset Obligations. Schedule "B" to the Lease contains the Third Party Offset Obligations, which does not contain a surrender election. Subclause 8(c) of the Lease provides that, inter alia, the Lessee may surrender all or any portion of the Said Lands pursuant to the provisions hereof, provided that the surrender shall include but may be limited to the Zone or formation from which production is being obtained from the Offset Well underlying that portion of the Said Lands which comprises or is included in the Spacing Unit laterally or diagonally adjoining the Spacing Unit of the Offset well.

Specific Qualification. We have assumed the existing 6.5% royalty to Canpar Holdings Ltd. referenced in the Petroleum and Natural Gas Lease dated February 12, 2019 is equivalent to the royalties referenced in Instrument 862 204 201, Instrument 002 083 042, Instrument 002 083 043, and Instrument 002 083 044, and that the 16% lessor royalty is inclusive thereof.

Specific Qualification. We have assumed that the Petroleum and Natural Gas Lease dated February 12, 2019 is continuing after the primary term on the basis of the 00/01-08-048-27W4/0 well, however we recommend obtaining written confirmation from PrairieSky Royalty Ltd. that such is the case.

8. Notice dated February 28, 2019 from Point Loma Resources Ltd. to Salt Bush Energy Ltd. wherein, pursuant to the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017, Point Loma provides notice of the successful acquisition of 048-27-W4M: Sec. 8, and Salt Bush Energy Ltd. elects to acquire a 30% Working Interest therein.
9. Offset Notice dated May 21, 2019 from Canpar Holdings Ltd. to Paramount Resources Ltd. wherein, pursuant to the Canpar Royalty Assumption Agreement dated October 1, 1993, Canpar as the holder of the 6.5% gross overriding royalty gives notice of an offset obligation in 048-27-W4M: Sec. 08 in the Mannville formation from the 00/16-17-048-27W4/00 offset well. The Offset Notice was forwarded to Point Loma Resources Ltd. by letter dated May 28, 2019, and was subsequently rescinded by Canpar Holdings Ltd. by letter dated June 19, 2019.
10. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.

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11. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: Sec. 8 with respect to the 00/01-08-048-27W4/0 well, Pre-Earn WI - 70%, Test Well BPO WI - 25%, Test Well APO WI - 60%, and Test Well APO & Option Well After Earning WI - 50%, and with respect to the balance, Pre-Earn WI - 70%, Test Well After Earning WI - 60%, and Option Well After Earning WI - 50%.
12. Instrument 192 194 151 registered 16/08/2019 by SALT BUSH ENERGY LTD., purports to protect a Mineral Lease between Apache Canada Ltd. and Point Loma Resources Ltd., and a Joint Venture Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

Specific Qualification. We have assumed that the Mineral Lease referenced in Instrument 192 194 151 is, in fact, the Petroleum and Natural Gas Lease dated February 12, 2019 granted by Paramount Resources Ltd., notwithstanding the incorrect reference to Apache Canada Ltd. as the lessor, and accordingly that Instrument 192 194 151 is not adverse in interest. We nonetheless recommend that a new caveat in respect of the Petroleum and Natural Gas Lease dated February 12, 2019 be registered, and that Instrument 192 194 151 be discharged or lapsed.

13. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
14. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
15. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
16. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
17. Assignment of PrairieSky Fee Lease dated June 8, 2020 among BDO Canada Limited, Appointed Receiver for Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and PrairieSky Royalty Ltd., as third party, pertaining to Petroleum Lease and Natural Gas Lease dated November 27, 2018 for 048-27-W4M: Ptn. Of Sec. 21, and Petroleum and Natural Gas Lease dated February 12, 2019 pertaining to 048-27-W4M: Sec. 8.
18. Assignment of Lessor Freehold Lease dated February 5, 2021 between Paramount Resources Ltd., as assignor, and PrairieSky Royalty Ltd., as assignee, pertaining to Petroleum and Natural Gas Lease dated February 12, 2019 pertaining to 048-27-W4M: Sec. 8.

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19. Offset Notice dated March 1, 2021 from Canpar Holdings Ltd. to Paramount Resources Ltd. wherein, pursuant to the Canpar Royalty Assumption Agreements dated October 1, 1993 and December 1, 1993, Canpar as the holder of the 6.5% gross overriding royalty gives notice of an offset obligation in 048-27-W4M: Sec. 08 in the Rex formation from the 00/16-17-048-27W4/00 offset well.
20. Certificate of Title 212 074 666 +19 issued 25/03/2021 to PRAIRIESKY ROYALTY LTD. and pertaining to 048-27-W4M: N½ of Sec. 08.
21. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
22. Notice of Third Party Offset Obligation dated April 7, 2021 from PrairieSky Royalty Ltd. to Point Loma Resources Ltd. advising of the Offset Notice dated March 1, 2021 and indicating that by May 21, 2021 Point Loma is obligated to drill, surrender the spacing unit as to all non-producing rights down to the base of the Rex, or commence payment of compensatory royalties.
23. Letter dated June 7, 2021 from Salt Bush Energy Ltd. to PrairieSky Royalty Ltd. in respect of the Notice dated April 7, 2021 wherein Salt Bush Energy Ltd., as the successor to Point Loma Resources Ltd. elects to surrender rights but only as it pertains to the "Rex Formation" defined by the AER as the "Wizard Lake Upper Mannville B". Further, Salt Bush seeks to clarify that it will continue to hold all petroleum and natural gas rights within the Mannville Formation in Sec. 8 granted by the Lease, except for the petroleum and natural gas rights in the NW¼ of Sec. 8 as it relates only to the "Wizard Lake Upper Mannville B" pool.
24. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 6

Lands.	048-27-W4M: W½ of Sec. 09 CONTAINING 320 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	PRAIRIESKY ROYALTY LTD. AS TO ALL MINES AND MINERALS EXCEPT COAL.
Tenure.	Lease Issuance and Extension Agreement dated May 29, 2020 (REX File C809, M1167) between PrairieSky Royalty Ltd. and Salt Bush Energy Ltd.
Leased Substances.	Petroleum.
Demised Estate.	Rex (as defined in the Continuation Notices dated November 19, 2021).
Working Interest Owners.	100% REX 100%
Continuation Status.	Post-primary term continuation on the basis of the 103/12-04-048-27W4/0 well.
Revenue Interest Owners.	Freehold lessor royalty of lessor royalty of 17.5% payable to PRAIRIESKY ROYALTY LTD., calculated in the case of the 103/12-04-048-27W4/0 well, with respect to 77.6709% of production pursuant to the Wizard Lake Upper Mannville Agreement Production Allocation Unit Agreement effective December 1, 2019. Gross overriding royalty of 2%, calculated with reference to (a) 25% of production in respect of the 103/12-04-048-27W4/0 well, and (b) 50% of production with respect to the balance, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Certificate of Title 142 208 009 +24 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD.
2. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
3. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.

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4. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
5. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on, inter alia, 048-27-W4M: W½ of Sec. 09, Pre-Earn WI - 70%, Test Well After Earning WI - 60%, and Option Well After Earning WI - 50%, as per Farmout and Option Agreement dated May 29, 2019.
6. Instrument 192 194 167 registered 16/08/2019, currently in the name of SALT BUSH ENERGY LTD., purports to protect a Mineral Lease granted by PrairieSky Royalty Ltd. to Point Loma Resources Ltd. and a Joint Venture Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

Specific Qualification. We have assumed that the rights granted by the Mineral Lease referenced in Instrument 192 194 167 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance and Extension Agreement dated May 29, 2020, and accordingly that Instrument 192 194 167 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

7. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
8. Wizard Lake Upper Mannville Agreement Production Allocation Unit Agreement effective December 1, 2019 (REX File C881) and executed August 23, 2021 between Salt Bush Energy Ltd., the Crown in Right of the Province of Alberta, and PrairieSky Royalty Ltd., pertaining to NW¼ of Sec. 4 as to 22.2391% (Crown) and W½ of Sec. 9 as to 77.6709% (PSK) as to the Upper Mannville production from the 103/12-04-048-27W4/0 well.
9. Instrument 192 293 304 registered 03/12/2019 by PERSISTENCE ENERGY LTD., purports to protect a Lease Issuance Agreement dated October 1, 2019 between PrairieSky Royalty Ltd. and Persistence Energy Ltd.

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Specific Qualification. We have assumed that the rights granted by the Lease Issuance Agreement dated October 1, 2019 referenced in Instrument 192 293 304 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance and Extension Agreement dated May 29, 2020, and accordingly that Instrument 192 293 304 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

10. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
11. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
12. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
13. Lease Issuance and Extension Agreement dated May 29, 2020 (REX File C809) between PrairieSky Royalty Ltd. and Salt Bush Energy Ltd., wherein PrairieSky agrees to grant petroleum and/or natural gas leases in respect of 048-27-W4M: Ptn. Of Sec. 5, Sec. 9 and 17 as to the Mannville, which leases be dated May 29, 2020, have a primary term of 18 months (expiring November 28, 2021), and provide for a lessor royalty of 17.5% except for production from the 00/16-17-048-27W4/0 well which shall be 15%. Subclause 7(a) provides that Salt bush shall have the option to elect to extend the Primary Term for an additional 18 months upon payment and drilling obligations being met. The terms and conditions incorporated by reference provide for post-primary term continuation until such time as that continued portion of the Leased Lands and the Leased Formations are surrendered or deemed to have been surrendered in accordance with this Lease.

Specific Qualification. We recommend that Rex Energy Ltd. register a caveat to protect its interests under the Lease Issuance and Extension Agreement dated May 29, 2020.

14. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
15. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
16. Lease Continuation Application dated November 19, 2021 submitted by Rex Energy Ltd. to PrairieSky Royalty Ltd. pertaining to 048-27-W4M: SW¼ of Sec. 9 as to petroleum in the

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Mannville Group on the basis of the 03/12-04-048-27W4/0 well and Crown PAUA No. 05785 being Crown as to 22.3291% and PSK as to 77.6709%.

17. Lease Continuation Application dated November 19, 2021 submitted by Rex Energy Ltd. to PrairieSky Royalty Ltd. pertaining to 048-27-W4M: NW¼ of Sec. 9 as to petroleum in the Mannville Group on the basis of the 03/12-04-048-27W4/0 well and Crown PAUA No. 05785 being Crown as to 22.3291% and PSK as to 77.6709%.
18. Continuation Notice dated November 29, 2021 from PrairieSky Royalty Ltd. to Rex Energy Ltd. advising that the deemed Petroleum Lease dated May 29, 2020 in respect of 048-27-W4M: SW¼ of Sec. 9 is continuing on the basis of the 03/12-04-048-27W4/0 well as to the Rex formation.
19. Continuation Notice dated November 29, 2021 from PrairieSky Royalty Ltd. to Rex Energy Ltd. advising that the deemed Petroleum Lease dated May 29, 2020 in respect of 048-27-W4M: NW¼ of Sec. 9 is continuing on the basis of the 03/12-04-048-27W4/0 well as to the Rex formation.

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Tract 7

Lands.	048-27-W4M: W½ of Sec. 16 CONTAINING 320 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.
Tenure.	Alberta Crown Petroleum and Natural Gas Lease No. 0418020147 (REX File M375).
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Surface to the base of the Nisku Formation (DRRZD 00023).
Working Interest Owners.	100% REX 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Alberta Crown lessor royalty. Gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
2. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.
3. Alberta Crown Petroleum and Natural Gas Lease No. 0418020147 (REX File M375) issued February 8, 2018 to Mammoth Land Services Ltd., expiring February 8, 2023, and currently in the name of Rex Energy Ltd.

Specific Qualification. We have assumed that Mammoth Land Services Ltd. acquired Lease No. 0418020147 as agent and trustee for and on behalf of Point Loma Resources Ltd., and subsequently transferred Lease No. 0418020147 to Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% without the reservation of any interest therein.

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4. Notice dated February 8, 2018 from Point Loma Resources Ltd. to Salt Bush Energy Ltd. wherein, pursuant to the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017, Point Loma provides notice of the successful acquisition of certain unidentified lands, and Salt Bush Energy Ltd. elects to acquire a 20% Working Interest therein.
5. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
6. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on, inter alia, 048-27-W4M: W½ of Sec. 16, Pre-Earn WI - 70%, Test Well After Earning WI - 60%, Option Well After Earning WI - 50%, as per Farmout and Option Agreement dated May 29, 2019.
7. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
8. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
9. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
10. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
11. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.

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12. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 8

Lands.	048-27-W4M: E½ of Sec. 17 CONTAINING 320 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	PRAIRIESKY ROYALTY LTD. AS TO ALL MINES AND MINERALS (WHICH WITHOUT RESTRICTING THE GENERALITY THEREOF SHALL BE DEEMED TO INCLUDE ALL GAS AND PETROLEUM) EXCEPT COAL.
Tenure.	Lease Issuance and Extension Agreement dated May 29, 2020 (REX File C809, M1167) between PrairieSky Royalty Ltd. and Salt Bush Energy Ltd.
Leased Substances.	Petroleum.
Demised Estate.	Rex (as defined in the Continuation Notices dated November 19, 2021).
Working Interest Owners.	100% REX 100%
Continuation Status.	Post-primary term continuation on the basis of the 00/16-17-048-27W4/0 well.
Revenue Interest Owners.	Freehold lessor royalty of 17.5% except for production from the 00/16-17-048-27W4/0 well in which case it is 15%, payable to PRAIRIESKY ROYALTY LTD. Gross overriding royalty of 2%, calculated with reference to (a) 25% of production in respect of the 00/16-17-048-27W4/0 well, and (b) 50% of production with respect to the balance, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Certificate of Title 142 208 009 +27 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD.
2. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
3. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.

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4. Instrument 192 194 167 registered 16/08/2019, currently in the name of SALT BUSH ENERGY LTD., purports to protect a Mineral Lease granted by PrairieSky Royalty Ltd. to Point Loma Resources Ltd. and a Joint Venture Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

Specific Qualification. We have assumed that the rights granted by the Mineral Lease referenced in Instrument 192 194 167 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated November 29, 2021, and accordingly that Instrument 192 194 167 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

5. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net 10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.
6. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on, inter alia, 048-27-W4M: 17, Pre-Earn WI - 70%, Test Well After Earning WI - 60%, Option Well After Earning WI – 50%, as per Farmout and Option Agreement dated May 29, 2019.
7. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
8. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
9. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
10. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.

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11. Lease Issuance and Extension Agreement dated May 29, 2020 (REX File C809) between PrairieSky Royalty Ltd. and Salt Bush Energy Ltd., wherein PrairieSky agrees to grant petroleum and/or natural gas leases in respect of 048-27-W4M: Ptn. Of Sec. 5, Sec. 9 and 17 as to the Mannville, which leases be dated May 29, 2020, have a primary term of 18 months (expiring November 28, 2021), and provide for a lessor royalty of 17.5% except for production from the 00/16-17-048-27W4/0 well which shall be 15%. Subclause 7(a) provides that Salt bush shall have the option to elect to extend the Primary Term for an additional 18 months upon payment and drilling obligations being met. The terms and conditions incorporated by reference provide for post-primary term continuation until such time as that continued portion of the Leased Lands and the Leased Formations are surrendered or deemed to have been surrendered in accordance with this Lease.

Specific Qualification. We recommend that Rex Energy Ltd. register a caveat to protect its interests under the Lease Issuance and Extension Agreement dated May 29, 2020.

12. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
13. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
14. Lease Continuation Application dated November 19, 2021 submitted by Rex Energy Ltd. to PrairieSky Royalty Ltd. pertaining to 048-27-W4M: SE¼ of Sec. 17 as to petroleum in the Mannville Group on the basis of the 00/16-17-048-27W4/0 well.
15. Lease Continuation Application dated November 19, 2021 submitted by Rex Energy Ltd. to PrairieSky Royalty Ltd. pertaining to 048-27-W4M: NE¼ of Sec. 17 as to petroleum in the Mannville Group on the basis of the 00/16-17-048-27W4/0 well.
16. Continuation Notice dated November 29, 2021 from PrairieSky Royalty Ltd. to Rex Energy Ltd. advising that the deemed Petroleum Lease dated May 29, 2020 in respect of 048-27-W4M: SE¼ of Sec.17 is continuing on the basis of the 00/16-17-048-27W4/0 well as to the Rex formation.
17. Continuation Notice dated November 29, 2021 from PrairieSky Royalty Ltd. to Rex Energy Ltd. advising that the deemed Petroleum Lease dated May 29, 2020 in respect of 048-27-W4M: NE¼ of Sec.17 is continuing on the basis of the 00/16-17-048-27W4/0 well as to the Rex formation.

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Tract 9

Lands.	048-17-W4M: W½ of Sec. 17 CONTAINING 320 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	PRAIRIESKY ROYALTY LTD. AS TO ALL MINES AND MINERALS (WHICH WITHOUT RESTRICTING THE GENERALITY THEREOF SHALL BE DEEMED TO INCLUDE ALL GAS AND PETROLEUM) EXCEPT COAL.
Tenure.	Lease Issuance Agreement dated November 29, 2021 (REX File M01169) between PrairieSky Royalty Ltd. and Rex Energy Ltd.
Leased Substances.	Petroleum.
Demised Estate.	Mannville (as defined in Lease Issuance Agreement dated November 29, 2021).
Working Interest Owners.	100% REX 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Freehold lessor royalty of 17.5% payable to PRAIRIESKY ROYALTY LTD. Gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Certificate of Title 142 208 009 +27 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD.
2. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
3. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.
4. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in 048-27-W4M: Secs. 5, 8, 9, W½ 16, 17, and 22, grants to the farmee the right to earn 75% BPO/40% APO in the Test Well, and 14.2857% (net

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10% Working Interest) in the balance of the farmout lands, by drilling 01-08-048-27W4 well, where payout is 70% of the gross Test Well costs recouped out of the net 45% interest earned by the farmee. The parties further create a 3 year area of mutual interest on a 50% / 50% basis with respect to 047-27W4M: Secs. 31, 32, and 33 and 048-27-W4M: Secs. 3 to 10, 14 to 23, and 26 to 33.

5. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on, inter alia, 048-27-W4M: 17, Pre-Earn WI - 70%, Test Well After Earning WI - 60%, Option Well After Earning WI – 50%, as per Farmout and Option Agreement dated May 29, 2019.
6. Instrument 192 194 167 registered 16/08/2019, currently in the name of SALT BUSH ENERGY LTD., purports to protect a Mineral Lease granted by PrairieSky Royalty Ltd. to Point Loma Resources Ltd. and a Joint Venture Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

Specific Qualification. We have assumed that the rights granted by the Mineral Lease referenced in Instrument 192 194 167 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated November 29, 2021, and accordingly that Instrument 192 194 167 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

7. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
8. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
9. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
10. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
11. Lease Issuance and Extension Agreement dated May 29, 2020 (REX File C809) between PrairieSky Royalty Ltd. and Salt Bush Energy Ltd., wherein PrairieSky agrees to grant petroleum and/or natural gas leases in respect of 048-27-W4M: Ptn. Of Sec. 5, Sec. 9 and 17 as to the Mannville, which leases be dated May 29, 2020, have a primary term of 18 months (expiring

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November 28, 2021), and provide for a lessor royalty of 17.5% except for production from the 00/16-17-048-27W4/0 well which shall be 15%.

12. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
13. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
14. Lease Issuance Agreement dated November 29, 2021 (REX File M01169) between PrairieSky Royalty Ltd. and Rex Energy Ltd., wherein PrairieSky agrees to grant petroleum and/or natural gas leases in respect of 048-27-W4M: Ptn. Of Sec. 5 (PNG), and W½ of Sec. 17 as to the Mannville (P only), which leases be dated November 29, 2021, have a primary term of 3 years (expiring November 28, 2024), and provide for a lessor royalty of 17.5%.

Specific Qualification. We recommend that Rex Energy Ltd. register a caveat to protect its interests under the Lease Issuance Agreement dated November 29, 2021.

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Tract 10

Lands.	048-27-W4M: Sec. 20 CONTAINING 640 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.
Tenure.	Alberta Crown Petroleum and Natural Gas Lease No. 0417070033 (REX File M1165).
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Below the base of Edmonton Group (DRRZD 00280) to base of Mannville (undefined term in Farmin Letter Agreement dated October 26, 2020).
Working Interest Owners.	100% TWP 50 Resources Ltd., subject to the right of REX to earn pursuant to the Farmin Letter Agreement dated October 26, 2020. 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Alberta Crown lessor royalty. Upon earning pursuant to the Farmin Letter Agreement dated October 26, 2020, a gross overriding royalty of 8%, calculated with reference to 100% of production, payable to TWP50 Resources Ltd., reducing to 5% if the Alberta Crown lessor royalty escalates above the modernized Alberta Crown lessor royalty rate of 5%. Upon earning pursuant to the Farmin Letter Agreement dated October 26, 2020, and subject to election to purchase by Source Rock Royalties Ltd., gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.

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2. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.

Specific Qualification. The files provided for our review did not contain a copy of Alberta Crown Petroleum and Natural Gas Lease No. 0417070033 (REX File M1165), which we understand from Public Record Searches was issued July 6, 2017, expiring July 6, 2022, and currently is in the name of TWP 50 Resources Ltd. We further understand that a copy of Lease No. 0417070033 will be provided to REX upon earning pursuant to the Farmin Letter Agreement dated October 26, 2020.

3. Farmin Letter Agreement dated June 6, 2019 between Point Loma Resources Ltd., as farmee, and TWP50 Resources Ltd., as farmor, wherein the farmor as the holder of a 100% Working Interest in 048-27-W4M: Sec. 20 and LSDs 3 and 4 of Sec. 21 grants to the farmee the right to earning 100% of the farmor's Working Interest in SE¼ of Sec. 20 for a horizontal leg less than 300 metres, S½ of Sec. 20 for a horizontal leg between 301 and 600 metres, and Sec. 20 and LSDs 3 and 4 of Sec. 21 for a horizontal leg greater than 600 metres, and by spudding a test well on or before October 9, 2020.
4. Notice dated June 17, 2019 by Point Loma Resources Ltd. to Salt Bush Energy Ltd., wherein, pursuant to the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017, Point Loma provides notice of the successful negotiation of a Farmin Letter Agreement dated June 6, 2019 with TWP50 Resources Ltd. pertaining to 048-27-W4M: Sec. 20 and Ptn. Lsds 3 and 4 of Sec. 21, and Salt Bush Energy Ltd. elects to participate as to a 50% Working Interest therein.
5. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: Sec. 20 as to a 50% WI if earned pursuant to the Farmin Letter Agreement dated June 6, 2019.
6. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
7. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
8. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
9. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.

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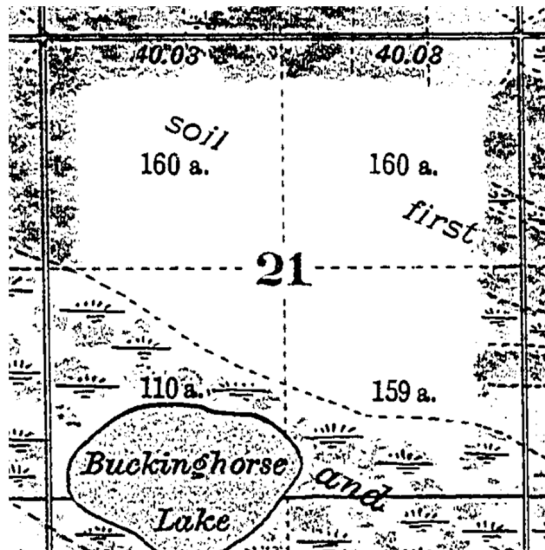
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10. Farmin Letter Agreement dated October 26, 2020 (REX File C808) between Salt Bush Energy Ltd., as farmee, and TWP50 Resources Ltd., as farmor, wherein the farmor as the holder of a 100% Working Interest in 048-27-W4M: Sec. 20 and LSDs 3 and 4 of Sec. 21 grants to the farmee the right to earning 100% of the farmor's Working Interest in SE¼ of Sec. 20 for a horizontal leg less than 300 metres, S½ of Sec. 20 for a horizontal leg between 301 and 600 metres, and Sec. 20 and LSDs 3 and 4 of Sec. 21 for a horizontal leg greater than 600 metres, and by spudding a test well on or before December 31, 2021.
11. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
12. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
13. Letter dated December 15, 2021 from TWP50 Resources Ltd. to Rex Energy Ltd., wherein TWP50 Resources Ltd. grants an extension pursuant to Clause 3(b) of the Farm-In Agreement dated October 26, 2020 to March 31, 2022.

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Tract 11

Lands. 048-27-W4M:
(a) N½ of Sec. 21;
(b) ALL THOSE PORTION OF SE¼ and LSDs 4,5, and 6 of Sec. 21 NOT COVERED BY ANY OF THE WATERS OF BUCKING HORSE LAKE AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA ON THE 13TH DAY OF JUNE A.D. 1899; and
(c) ALL THOSE PORTIONS OF LSD 2, AND N½ and SW¼ of LSD 4 of Sec. 21 COVERED BY THE WATERS OF BUCKING HORSE LAKE AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA ON THE 13TH DAY OF JUNE A.D. 1899;
CONTAINING 589 ACRES, MORE OR LESS.



Mineral Fee Interest Owners. PRAIRIESKY ROYALTY LTD. AS TO ALL MINES AND MINERALS EXCEPT COAL.

Tenure. Lease Issuance Agreement dated December 10, 2019 (M1168) between PrairieSky Royalty Ltd. and Point Loma Resources Ltd. as to 50% and Salt Bush Energy Ltd. as to 50%.

Leased Substances. Petroleum and natural gas.

Demised Estate. Mannville (as defined in the Lease Issuance Agreement dated December 10, 2019).

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Working Interest 100% REX
Owners. 100%

Continuation Primary term.
Status.

Revenue Interest Freehold lessor royalty of 17.5% payable to PRAIRIESKY ROYALTY LTD.
Owners.
Gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Instrument 164JF registered 08/09/1952 and currently in the name of TEXACO EXPLORATION COMPANY.
2. Instrument 67MS registered 12/03/1962 by TEXACO EXPLORATION COMPANY, purports to protect an Oil and Gas Lease dated February 16, 1962 granted by Canadian Pacific Railway Company, as lessor, and Texaco Exploration Company, as lessee.

Specific Qualification. We have assumed that the rights granted by the Oil and Gas Lease dated February 16, 1962 referenced in Instrument 67MS have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated December 10, 2019, and accordingly that Instrument 67MS is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

3. Instrument 43NF registered 14/12/1962 and currently in the name of TEXACO EXPLORATION COMPANY.
4. Instrument 6614MX registered 03/01/1963 by Canadian Pacific Oil and Gas Limited, and currently in the name of OVINTIV CANADA ULC, purports to protect a fee simple interest in all mines and minerals held by virtue of a Transfer of Land dated May 11, 1962 granted by Canadian Pacific Railway Company in favour of Canadian Pacific Oil and Gas Limited.

Specific Qualification. As PrairieSky Royalty Ltd. acquired its fee simple interest from Encana Corporation (as successor by amalgamation and name change to Canadian Pacific Oil and Gas Limited, and predecessor by name change to Oviniv Canada ULC) we have assumed that Instrument 6614MX is not adverse in interest, however we recommend that this Instrument nonetheless be discharged or lapsed.

5. Instrument 3902SF registered 22/02/1971 by TEXACO EXPLORATION CANADA LTD., purports to protect an Oil and Gas Lease dated February 16, 1962 granted by Canadian Pacific Railway

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Company, as lessor, and Texaco Exploration Company, as lessee, and an Assignment effective December 1, 1970 between Texaco Exploration Company and Texaco Exploration Canada Ltd.

Specific Qualification. We have assumed that the rights granted by the Oil and Gas Lease dated February 16, 1962 referenced in Instrument 3902SF have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated December 10, 2019, and accordingly that Instrument 3902SF is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

6. Instrument 2265SH registered 11/03/1971 and currently in the name of TEXACO EXPLORATION CANADA LTD.
7. Instrument 792 241 340 registered 02/10/1979 by TEXACO CANADA RESOURCES LTD., purports to protect an Oil and Gas Lease dated February 16, 1962 granted by Canadian Pacific Railway Company, as lessor, and Texaco Exploration Company, as lessee, an Assignment effective December 1, 1970 between Texaco Exploration Company and Texaco Exploration Canada Ltd., and an Assignment effective August 1, 1979 between Texaco Canada Inc. (successor by amalgamation to Texaco Exploration Canada Ltd.) and Texaco Canada Resources Ltd.

Specific Qualification. We have assumed that the rights granted by the Oil and Gas Lease dated February 16, 1962 referenced in Instrument 792 241 340 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated December 10, 2019, and accordingly that Instrument 792 241 340 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

8. Instrument 142 117 037 registered 24/04/2014 by KINGSMERE RESOURCES LTD., purports to protect a Mineral Lease dated February 28, 2013 between Encana Corporation, as lessor, and Felcom Resources Corporation and Kingsmere Resources Ltd., as lessee.

Specific Qualification. We have assumed that the rights granted by the Mineral Lease dated February 28, 2013 referenced in Instrument 142 117 037 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated December 10, 2019, and accordingly that Instrument 142 117 037 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

9. Certificate of Title 142 208 024 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD. in respect of Ptn. Of S½
10. Certificate of Title 142 208 024 +1 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD. in respect of NW¼.
11. Certificate of Title 142 208 024 +2 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD. in respect of Ptn. Of S½.

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12. Certificate of Title 142 208 009 +29 issued 04/07/2014 to PRAIRIESKY ROYALTY LTD. in respect of NE¼.
13. Instrument 172 283 035 registered 27/10/2017 by TWP50 RESOURCES LTD., purports to protect a Lease Issuance Agreement dated March 31, 2017 between PrairieSky Royalty Ltd. and TWP50 Resources Ltd.

Specific Qualification. We have assumed that the rights granted by the Lease Issuance Agreement dated March 31, 2017 referenced in Instrument 172 283 035 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated December 10, 2019, and accordingly that by Instrument 172 283 035 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

14. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein the parties adopt an area of mutual interest covering 047-R27-W4M: Secs. 31 to 36, and 048-27-W4M: Secs. 1 to 36, for the period ending December 31, 2021, wherein the Source Rock has the option to acquire a 2% overriding royalty in acquired AMI Lands for a calculated consideration. The Agreement applies to lands that are reacquired within 24 months of expiry, forfeiture, or surrender.
15. Instrument 192 293 304 registered 03/12/2019 by PERSISTENCE ENERGY LTD., purports to protect a Lease Issuance Agreement dated October 1, 2019 between PrairieSky Royalty Ltd. and Persistence Energy Ltd.

Specific Qualification. We have assumed that the rights granted by the Lease Issuance Agreement dated October 1, 2019 referenced in Instrument 192 293 304 have expired or have otherwise been cancelled or terminated prior to the grant of the Lease Issuance Agreement dated December 10, 2019, and accordingly that by Instrument 192 293 304 is not adverse in interest. We nonetheless recommend that this Instrument be discharged or lapsed.

16. Lease Issuance Agreement dated December 10, 2019 between PrairieSky Royalty Ltd. and Point Loma Resources Ltd. as to 50% and Salt Bush Energy Ltd. as to 50%, wherein PrairieSky agrees to grant petroleum and/or natural gas leases in respect of 048-27-W4M: Ptn. Sec. 21 as to the Mannville, which leases are dated November 27, 2019, have a primary term of 3 years (expiring November 26, 2022), and provide for a lessor royalty of 17.5%. The terms and conditions incorporated by reference provide for post-primary term continuation until such time as that continued portion of the Leased Lands and the Leased Formations are surrendered or deemed to have been surrendered in accordance with this Lease.

Specific Qualification. We recommend that Rex Energy Ltd. register a caveat to protect its interests under the Lease Issuance Agreement dated December 10, 2019.

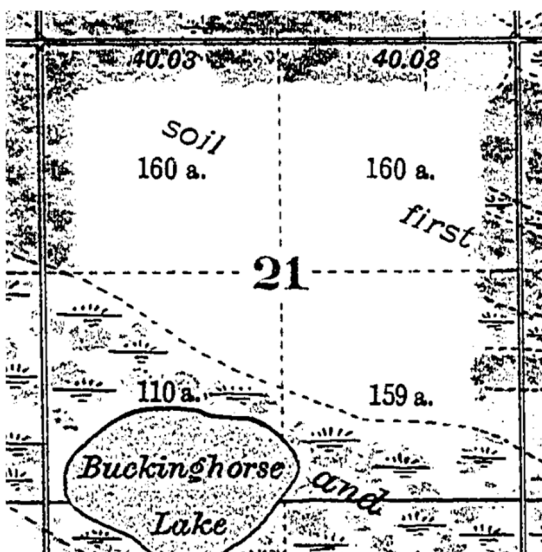
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17. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
18. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
19. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
20. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
21. Assignment of PrairieSky Fee Lease dated June 8, 2020 among BDO Canada Limited, Appointed Receiver for Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and PrairieSky Royalty Ltd., as third party, pertaining to Petroleum Lease and Natural Gas Lease dated November 27, 2018 for 048-27-W4M: Ptn. Of Sec. 21, and Petroleum and Natural Gas Lease dated February 12, 2019 pertaining to 048-27-W4M: Sec. 8.
22. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
23. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
24. Letter dated December 15, 2021 from TWP50 Resources Ltd. to Rex Energy Ltd., wherein TWP50 Resources Ltd. grants an extension pursuant to Clause 3(b) of the Farm-In Agreement dated October 26, 2020 to March 31, 2022.

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Tract 12

Lands. 048-27-W4M: ALL THOSE PORTIONS OF LSD 3 and SE¼ of LSD 4 of Sec 21 COVERED BY THE WATERS OF BUCKING HORSE LAKE AS SHOWN ON A PLAN OF SURVEY OF THE SAID TOWNSHIP SIGNED AT OTTAWA ON THE 13TH DAY OF JUNE A.D. 1899 CONTAINING 50 ACRES, MORE OR LESS.



Mineral Fee Interest Owners. THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.

Tenure. Alberta Crown Petroleum and Natural Gas Lease No. 0418090143 (REX File M1166).

Leased Substances. Petroleum and natural gas.

Demised Estate. Surface to base Mannville (undefined term in the Farmin Letter Agreement dated October 26, 2020).

Working Interest Owners. 100% TWP 50 Resources Ltd., subject to the right of REX to earn pursuant to the Farmin Letter Agreement dated October 26, 2020.
100%

Continuation Status. Primary term.

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Revenue Interest Owners. Alberta Crown lessor royalty.

Upon earning pursuant to the Farmin Letter Agreement dated October 26, 2020, a gross overriding royalty of 8%, calculated with reference to 100% of production, payable to TWP50 Resources Ltd., reducing to 5% if the Alberta Crown lessor royalty escalates above the modernized Alberta Crown lessor royalty rate of 5%.

Upon earning pursuant to the Farmin Letter Agreement dated October 26, 2020, and subject to election to purchase by Source Rock Royalties Ltd., gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
2. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.

Specific Qualification. The files provided for our review did not contain a copy of Alberta Crown Petroleum and Natural Gas Lease No. 0418090143 (REX File M01166), which we understand from Public Record Searches was issued September 20, 2018, expiring September 20, 2023, and currently is in the name of TWP50 Resources Ltd. We further understand that a copy of Lease No. 0418090143 will be provided to REX upon earning pursuant to the Farmin Letter Agreement dated October 26, 2020.

3. Farmin Letter Agreement dated June 6, 2019 between Point Loma Resources Ltd., as farmee, and TWP50 Resources Ltd., as farmor, wherein the farmor as the holder of a 100% Working Interest in 048-27-W4M: Sec. 20 and LSDs 3 and 4 of Sec. 21 grants to the farmee the right to earning 100% of the farmor's Working Interest in SE¼ of Sec. 20 for a horizontal leg less than 300 metres, S½ of Sec. 20 for a horizontal leg between 301 and 600 metres, and Sec. 20 and LSDs 3 and 4 of Sec. 21 for a horizontal leg greater than 600 metres, and by spudding a test well on or before October 9, 2020.
4. Notice dated June 17, 2019 by Point Loma Resources Ltd. to Salt Bush Energy Ltd., wherein, pursuant to the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017, Point Loma provides notice of the successful negotiation of a Farmin Letter Agreement dated June 6, 2019 with TWP50 Resources Ltd. pertaining to 048-27-W4M: Sec. 20 and Ptn. Lsds 3 and 4 of Sec. 21, and Salt Bush Energy Ltd. elects to participate as to a 50% Working Interest therein.

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5. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on 048-27-W4M: Sec. 21 as to a 50% WI if earned pursuant to the Farmin Letter Agreement dated June 6, 2019. The Agreement applies to lands that are reacquired within 24 months of expiry, forfeiture, or surrender.
6. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
7. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
8. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
13. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
9. Farmin Letter Agreement dated October 26, 2020 (REX File C808) between Salt Bush Energy Ltd., as farmee, and TWP50 Resources Ltd., as farmor, wherein the farmor as the holder of a 100% Working Interest in 048-27-W4M: Sec. 20 and LSDs 3 and 4 of Sec. 21 grants to the farmee the right to earning 100% of the farmor's Working Interest in SE¼ of Sec. 20 for a horizontal leg less than 300 metres, S½ of Sec. 20 for a horizontal leg between 301 and 600 metres, and Sec. 20 and LSDs 3 and 4 of Sec. 21 for a horizontal leg greater than 600 metres, and by spudding a test well on or before December 31, 2021.
10. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.
11. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.
12. Letter dated December 15, 2021 from TWP50 Resources Ltd. to Rex Energy Ltd., wherein TWP50 Resources Ltd. grants an extension pursuant to Clause 3(b) of the Farm-In Agreement dated October 26, 2020 to March 31, 2022.

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Tract 13

Lands.	048-27-W4M: Sec. 22 CONTAINING 640 ACRES, MORE OR LESS.
Mineral Fee Interest Owners.	THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.
Tenure.	Alberta Crown Petroleum and Natural Gas Lease No. 0419010049 (REX File M668).
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Surface to the base of the Mannville Group (DRRZD 00004).
Working Interest Owners.	100% REX 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Alberta Crown lessor royalty. Gross overriding royalty of 2%, calculated with reference to 50% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Joint Operating Agreement dated May 23, 2017 (REX File C123) between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
2. Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 (REX File C125) between Point Loma Resources Ltd. as to 80% and Salt Bush Energy Ltd. as to 20% wherein the parties create mechanisms for a work program and area of mutual interest.
3. Alberta Crown Petroleum and Natural Gas Lease No. 0419010049 (REX File M668) issued January 10, 2019 to Millennium Land Ltd., expiring January 10, 2024, and currently in the name of Rex Energy Ltd.

Specific Qualification. We have assumed that Millennium Land Ltd. acquired Lease No. 0419010049 as agent and trustee for and on behalf of Point Loma Resources Ltd., and subsequently transferred Lease No. 0419010049 to Point Loma Resources Ltd. as to 70% and Salt Bush Energy Ltd. as to 30% without the reservation of any interest therein.

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4. Notice dated January 10, 2019 from Point Loma Resources Ltd. to Salt Bush Energy Ltd. wherein, pursuant to the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017, Point Loma provides notice of the successful acquisition of -28-27-W4M: Sec. 22, and Salt Bush Energy Ltd. elects to acquire a 30% Working Interest therein.
5. Farmout and Option Agreement dated May 29, 2019 (REX File C805) between Point Loma Resources Ltd., as farmor, and Salt Bush Energy Ltd., as farmee, wherein the farmor as the holder of a 70% pre-earning Working Interest in, inter alia, 048-27-W4M: Sec. 22.
6. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein Source Rock is granted a 2% overriding royalty on, inter alia, 048-27-W4M: 22, 70% Pre-Earn WI / 60% Test Well After Earning WI / 50% Option Well After Earning WI as per Farmout and Option Agreement dated May 29, 2019.
7. Royalty Agreement dated August 9, 2019 (REX File C810) Point Loma Resources Ltd., as royalty payor, and Source Rock Royalties Ltd., as royalty owner, wherein the parties adopt an area of mutual interest covering 047-R27-W4M: Secs. 31 to 36, and 048-27-W4M: Secs. 1 to 36, for the period ending December 31, 2021, wherein the Source Rock has the option to acquire a 2% overriding royalty in acquired AMI Lands for a calculated consideration. The Agreement applies to lands that are reacquired within 24 months of expiry, forfeiture, or surrender.
8. Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd.
9. Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd.
10. General Conveyance dated December 23, 2019 between Point Loma Resources Ltd., as vendor, and Salt Bush Energy Ltd., as purchaser, pertaining to the Asset Exchange Agreement dated December 16, 2019.
11. Notice of Assignment executed December 23, 2019 between Point Loma Resources Ltd., as assignor, Salt Bush Energy Ltd., as assignee, and Source Rock Royalties Ltd., as third party, pertaining to the Royalty Agreement dated August 9, 2019 between Point Loma Resources Ltd., and Source Rock Royalties Ltd., reflecting a transfer date of December 1, 2019.
12. Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 (REX File C813) between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, as grantor, and Salt Bush Energy Ltd., wherein in connection with a Court Order dated June 8, 2020 the grantor agreed effective June 8, 2020 to assign to the grantee, Point Loma's entire interest in 048-27-W4M: N½ of Sec. 4, Sec. 5, Sec. 8, Sec. 9, W½ of Sec. 16, Sec. 17, Sec. 21 and Sec. 22.

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13. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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Tract 14

Lands.	048-28-W4M: Sec. 24 CONTAINING 640 ACRES MORE OR LESS.
Mineral Fee Interest Owners.	THE CROWN IN RIGHT OF THE PROVINCE OF ALBERTA AS TO ALL MINES AND MINERALS.
Tenure.	Alberta Crown Petroleum and Natural Gas Lease No. 0419100084 (REX File M1163).
Leased Substances.	Petroleum and natural gas.
Demised Estate.	Surface to basement.
Working Interest Owners.	50% REX 50% Point Loma Resources Ltd. 100%
Continuation Status.	Primary term.
Revenue Interest Owners.	Alberta Crown lessor royalty. Gross overriding royalty of 1%, calculated with reference to 100% of production, payable to Source Rock Royalties Ltd.

Title Document Summary & Specific Qualifications

1. Overriding Royalty Agreement dated May 10, 2018 (REX File C160) between Source Rock Royalties Ltd., as royalty owner, and Point Loma Resources Ltd. and Salt Bush Energy Ltd., wherein the parties create a 1% AMI Royalty until December 31, 2019 with respect to, inter alia, Township 048, Range 28-W4M.
2. Alberta Crown Petroleum and Natural Gas Lease No. 0419100084 (REX File M1163) issued October 24, 2019 to Lexterra Land Ltd., expiring October 24, 2024, and currently in the name of Rex Energy Ltd.

Specific Qualification. We have relied on the letter dated November 11, 2019 to assume that Lexterra Land Ltd. acquired Lease No. 0419100084 as agent and trustee for and on behalf of Salt Bush Energy Ltd., and subsequently transferred Lease No. 0419100084 to that beneficiary without the reservation of any interest therein.

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3. Letter dated November 11, 2019 from Lexterra Land Ltd. to Salt Bush Energy Ltd. enclosing the Lease, an Agency and Trust Agreement and a Land Sale Agreement.
4. Certificate of Amendment dated August 13, 2021 evidencing that Salt Bush Energy Ltd. changed its name to Rex Energy Ltd.

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SCHEDULE "B"
Defined Terms

1. **"Addressee"** means the person or persons to whom this Report is addressed.
2. **"Alberta Crown"** means Her Majesty the Queen in Right of the Province of Alberta.
3. **"Alberta Crown Royalty"** means the Revenue Interest payable to the Alberta Crown pursuant to the Alberta Provincial Crown Tenures and Applicable Law, as may be varied from time to time, as the grantor of Alberta Provincial Crown Tenures.
4. **"Applicable Law"** means, in relation to any person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives and orders of Governmental Authorities including final, non-appealable judgements, orders and decrees of all courts, arbitrators, commissions or bodies exercising similar functions in actions or proceedings in which the person in question is a party, by which it is bound or having application to the transaction or event in question.
5. **"Associated Persons"** means any individual or Corporate Entity associated with the Hydrocarbon Interests.
6. **"Beneficial Entitlement Report"** means a report in respect of the beneficial entitlement as of the Effective Date to:
 - (a) the Mineral Fee Interests;
 - (b) the Working Interests created by a validly granted and subsisting Hydrocarbon Tenure; and/or
 - (c) the Revenue Interests encumbering such Working Interests.
7. **"Corporate Entity"** means any person other than an individual, including bodies corporate, partnerships, limited partnerships, unlimited liability companies, and trusts.
8. **"Crown"** means either the Federal Crown or a Provincial Crown, as the context requires or permits.
9. **"Crown Patent Severance"** means the issuance of a Federal Crown or Provincial Crown patent that grants a fee simple interest in respect of some but not all of the subsurface minerals underlying a tract of land.
10. **"Crown Tenures"** means those leases, licences, permits or other tenures comprising the Hydrocarbon Interests that were granted by the Crown.
11. **"Effective Date"** means the earlier of:

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- (a) the day we first commenced our review of the Title Documents; and
 - (b) the earliest date that any of the Public Record Searches were generated.
- 12. **"Federal Crown"** means Her Majesty the Queen in Right of Canada.
 - 13. **"Federal Crown Royalty"** means the Revenue Interest payable to the Federal Crown pursuant to the Federal Crown Tenures and Applicable Law, as may be varied from time to time, as the grantor of Federal Crown Tenures.
 - 14. **"Federal Crown Search Letters"** means the Public Record Searches generated by the Federal Crown in respect of the Federal Crown Tenures.
 - 15. **"Federal Crown Tenures"** means those leases, licences, permits or other tenures comprising the Hydrocarbon Interests that were granted by the Federal Crown pursuant to Applicable Laws.
 - 16. **"Freehold Lessor Royalty"** means the Revenue Interest payable to the grantor of a Freehold Tenure.
 - 17. **"Freehold Tenures"** means those leases, licences, permits or other tenures comprising the Hydrocarbon Interests that were granted by a Freeholder entitled to a Mineral Fee Interest, other than a Governmental Authority.
 - 18. **"Freeholder"** means an individual, corporation, or other stakeholder entitled in fee simple to Patented Lands, other than a Governmental Authority.
 - 19. **"General Qualifications"** means the general comments, qualifications, assumptions and reliances described in Schedule "C" hereto.
 - 20. **"Governmental Authority"** means any federal, provincial, territorial, municipal or other government or government department, agency, board, regulatory or other authority including a court of law, including the Federal Crown, the British Columbia Crown, the Alberta Crown, the Saskatchewan Crown, the Manitoba Crown and IOGC.
 - 21. **"Hydrocarbon Tenures"** means Freehold Tenures, Provincial Crown Tenures, Federal Crown Tenures and IOGC Tenures.
 - 22. **"Industry Agreement"** means the Industry Agreement to Replace Assignment and Novation Agreements dated September 1, 1993.
 - 23. **"IOGC"** means Indian Oil and Gas Canada.
 - 24. **"IOGC Royalty"** means the Revenue Interest payable to the Federal Crown pursuant to the IOGC Tenures and Applicable Law, as may be varied from time to time, as the grantor of IOGC Tenures.

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25. **“IOGC Search Letters”** means the Public Record Searches generated by IOGC in respect of the IOGC Tenures.
26. **“IOGC Tenures”** means those leases, licences, permits or other tenures comprising the Hydrocarbon Interests that were granted by the Federal Crown as represented by the executive director of IOGC pursuant to Applicable Laws.
27. **“Land Titles Searches”** means in respect of Patented Lands subject to:
- (a) a Tenure Issuance Report:
 - i. original Crown grants pertaining to the subsurface;
 - ii. current certificates of title pertaining to the subsurface;
 - iii. cancelled certificates of title pertaining to the subsurface;
 - iv. instruments effecting a transfer, transmission or other change in registered ownership of the subsurface;
 - v. undischarged instruments registered against the current certificates of title relating to the Hydrocarbon Interests; and
 - vi. the Dominion Land Survey Township Plan relating to the Hydrocarbon Interests; and
 - (b) a Tenure Subsistence Report and/or a Beneficial Entitlement Report:
 - i. current certificates of title pertaining to the subsurface;
 - ii. undischarged instruments registered against the current certificates of title relating to the Hydrocarbon Interests; and
 - iii. the Dominion Land Survey Township Plan relating to the Hydrocarbon Interests;
- all as provided by the relevant Land Titles registry office in response to our requests.
28. **“Mineral Estate”** means the Mineral Fee Interest, together with any rights, interests, or tenures issued in respect thereof.
29. **“Mineral Fee Interest”** means the subsurface fee simple interest underlying any tract of land.
30. **“Mineral Fee Severance”** means, subsequent to the issuance of a Federal Crown or Provincial Crown patent, private party transfers of the Mineral Fee Interest which effects a conveyance of some but not all of the subsurface underlying Patented Land.

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31. **“Patented Lands”** means those Hydrocarbon Interests in respect of which a Federal Crown or Provincial Crown patent has been issued.
32. **“Provincial Crown”** means the Alberta Crown, or Her Majesty the Queen in Right of another Province of British Columbia, as the context requires or permits.
33. **“Provincial Crown Search Letters”** means the Public Record Searches generated by a Provincial Crown in respect of Provincial Crown Tenures.
34. **“Provincial Crown Tenures”** means those leases, licences, permits or other tenures comprising the Hydrocarbon Interests that were issued by a Provincial Crown pursuant to Applicable Laws.
35. **“Private Party Searches”** means the documents generated by private aggregators of corporate, well, production, pipeline, land and environmental data and/or information generated by Governmental Authorities or otherwise available.
36. **“Public Record Searches”** means the documents generated by the various Governmental Authorities in response to our submitted public record searches, including Provincial Crown Search Letters, Federal Crown Search Letters, Land Titles Searches and IOGC Search Letters.
37. **“Revenue Interest”** means all or a portion of the right to:
 - (a) share in the production of hydrocarbon substances granted by the Hydrocarbon Tenures;
 - (b) share in the proceeds from, or measured or calculated by reference to, the value or quantity of hydrocarbon substances granted by the Hydrocarbon Tenures; or
 - (c) a share of the Working Interest that does not bear a proportionate share of the capital and operating costs associated with the exploration and development operations, including those interests commonly referred to as production penalties, gross overriding royalties, lessor royalties, net profits interest, carried working interests and net revenue interests.
38. **“Scope of Review”** means our review of the Title Documents and the Title Searches in connection herewith in the context of Applicable Law.
39. **“Specific Qualifications”** means the specific comments, qualifications, assumptions and reliances, if any, relating to each tract comprising the Hydrocarbon Interests as described in Schedule “A” hereto.
40. **“Surface Estate”** means the Surface Fee Interest, together with any rights, interests, or tenures issued in respect thereof.

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41. **“Surface Fee Interest”** means the surface fee simple interest comprising any tract of land.
42. **“Tangible Property”** means any equipment and facilities associated with the Hydrocarbon Interests, including flow lines, wellheads, gathering systems, gas processing plants, compressors, pipelines and refrigeration, useful in producing used or dehydrated substances and dehydration units and other chattels and fixtures.
43. **“Tenure Issuance Report”** means a report in respect of the validity of the issuance or grant of a Hydrocarbon Tenure.
44. **“Tenure Severance”** means those transactions whereby the subsurface fee owner of some or all the mines and minerals creates a Working Interest by the issuance of a Hydrocarbon Tenure in respect of some but not all of the subsurface minerals held in fee simple.
45. **“Tenure Subsistence Report”** means a report in respect of the subsistence as of the Effective Date of a validly issued or granted Hydrocarbon Tenure.
46. **“Title Documents”** means any and all documents pertaining to the Hydrocarbon Interests provided to us by the Addressee or at the direction of the Addressee, or otherwise obtained by us, including those documents summarized in Schedule “A” hereto, consisting of what appeared to be original documents or what appeared to be photostatic or other copies of original documents.
47. **“Title Searches”** means the Public Record Searches and the Private Party Searches.
48. **“Working Interest”** means all or a portion of the right to explore for, drill for, win, take, remove, produce, use and market the hydrocarbon substances granted by the Hydrocarbon Tenures whether such right is characterized as a leasehold estate, profit a prendre or otherwise.
49. **“Working Interest Severance”** means those transactions involving the transfer of some but not all of the Working Interests included in a Hydrocarbon Tenure, whether those transactions are pursuant to purchase and sale agreements, farmout agreements, pooling agreements, unitization agreements or otherwise.

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SCHEDULE "C"
General Qualifications

1. **Completeness and Authenticity of Title Documents.** We have assumed that:
 - (a) any and all transactions, arrangements and relationships impacting or affecting ownership or entitlement to the Hydrocarbon Interests are evidenced in writing within documents of title;
 - (b) the Title Documents comprise all documents of title relevant to the Hydrocarbon Interests;
 - (c) all Title Documents appearing to be original documents are authentic; and
 - (d) all Title Documents appearing to be certified, telecopied, photostatic, facsimile or electronic copies of original documents conform to an authentic original document, provided however that such assumptions were not made in any case where we had reason to doubt the reasonableness of the assumption.
2. **Corporate Transactions.** We have assumed that, in respect of the various corporate arrangements and transactions pertaining to Point Loma Resources Ltd. and/or Salt Bush Energy Ltd. including those represented by the Joint Operating Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd., the Joint Venture and Area of Mutual Interest Agreement dated May 23, 2017 between Point Loma Resources Ltd. and Salt Bush Energy Ltd., the Farmout and Option Agreement dated May 29, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd., the Undeveloped Acreage Conveyance Agreement dated October 22, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd., the Letter of Intent – Exchange of Assets dated December 9, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd., the Asset Exchange Agreement dated December 16, 2019 between Salt Bush Energy Ltd. and Point Loma Resources Ltd., the General Conveyance dated December 23, 2019 between Point Loma Resources Ltd. and Salt Bush Energy Ltd. pertaining to the Asset Exchange Agreement dated December 16, 2019, and the Royalty Agreement dated August 9, 2019 Point Loma Resources Ltd. and Source Rock Royalties Ltd., pursuant to the Quit Claim, Surrender and Assignment of Interest Agreement dated March 31, 2021 between Point Loma Resources Ltd., by its court appoint receiver BDO Canada Limited, and Salt Bush Energy Ltd., Salt Bush Energy Ltd. (as predecessor by name change to REX, became entitled any prior interest of Point Loma Resources Ltd. in and to the Hydrocarbon Interests, and that in reliance on email correspondence dated January 14, 2022 the gross overriding royalties payable to Source Rock Royalties Ltd. are as indicated herein.
3. **Enforceability of Title Documents.** We have assumed that all Title Documents are valid and binding contractual arrangements and are specifically enforceable, provided however the
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validity of agreements and the enforceability of contractual arrangements and other rights are in general subject to the rules of equity, to the discretionary nature of equitable remedies such as specific performance and injunctive relief, to statutory limitations on the commencement of actions, and to bankruptcy, insolvency, reorganization, moratorium, preference and other laws relating to creditors' rights generally. In addition, the enforceability of Provincial Crown Tenure, Federal Crown Tenure and IOGC Tenure and agreements to which a Provincial Crown or the Federal Crown is a party is subject to specific Applicable Laws relating to Crown immunity and proceedings against the Provincial Crown or the Federal Crown. We have not endeavoured to ascertain and accordingly express no opinion as to whether the application of any such Applicable Laws would adversely affect the validity of any of the Title Documents, or the enforceability of any rights thereunder or in respect thereof.

4. **Execution of Title Documents.** We have assumed that:
 - (a) the Title Documents when executed by a Corporate Entity were duly authorized and delivered, and that the persons so executing on behalf of the Corporate Entity were duly authorized to do so;
 - (b) all individuals executing Title Documents held legal capacity to sign, all dower rights were complied with, all signatures of individuals when executing Title Documents are genuine, and the individuals purporting to execute the Title Documents were in fact the same person named therein;
 - (c) all affidavits attached to Title Documents have been sworn or affirmed before persons authorized to swear or affirm such affidavits and that the contents of such affidavits are true and complete; and
 - (d) the identity and capacity of all individuals acting or purporting to act as or on behalf of Governmental Authorities is as indicated in the Title Documents.
5. **Capacity to Hold Hydrocarbon Interests.** We have assumed that all Corporate Entities currently entitled to an interest in the Hydrocarbon Interests has, and that all predecessors in title to such Corporate Entities had, the constating power and capacity to own such Hydrocarbon Interests and to carry on its business. We express no opinion as to whether or not any transaction in the chain of title to the Hydrocarbon Interests offended the provisions of any Applicable Laws, and in particular we have assumed that all such transactions have been carried out in compliance with the *Investment Canada Act* (Canada), the *Competition Act* (Canada) and any Applicable Law regulating public utilities.
6. **Accuracy of Title Searches and Supplied Information.** We have assumed the accuracy and completeness of:

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- (a) all information, indices and filing systems maintained by Governmental Authorities at all offices of public record in which we have conducted Public Record Searches or caused inquiries to be made in connection with this Report;
 - (b) all information provided to us by the Addressee, or by any person at the request of the Addressee; and
 - (c) all Private Party Searches.
 - (d) We may have also relied upon statements made by personnel of the Addressee, or personnel of agreement counterparties of the Addressee, to have provided us with all Title Documents in their respective power and possession or which are otherwise available to them in relation to title to the Hydrocarbon Interests. We have not conducted any other investigation to confirm that all such information was in fact made available for our review. We may have also relied upon verbal and written information provided to us by such personnel with respect to the conversion of royalties, dates of payout, geological zone designations and depths, the existence, location, depth, time of drilling, and the classification and status of wells. We have not conducted any other investigation to confirm that all such information was in fact accurate and complete.
7. **Provincial Crown Tenure, Federal Crown Tenure and IOGC Tenure.** In respect of Provincial Crown Tenure, Federal Crown Tenure and IOGC Tenure, no investigation has been made in respect of the manner in which such Hydrocarbon Tenures were granted. The provisions for recording Provincial Crown Tenure, Federal Crown Tenure and IOGC Tenure under Applicable Law do not constitute a title registration or Torrens title system. The Provincial Crown Search Letters, Federal Crown Search Letters and IOGC Search Letters are not certificates of title and are provided on the condition that the issuing Governmental Authority is not responsible for any loss arising from errors or omissions therein or resulting therefrom. These searches typically show the current registered holder of the tenure, brief particulars of the tenure, whether annual rental payments are current and the recordable encumbrances filed against the tenure. Certain burdens and encumbrances are not accepted by Governmental Authorities for registration, and such unrecorded legal or beneficial interests or encumbrances may bind these Hydrocarbon Tenures. The Provincial Crown Search Letters, Federal Crown Search Letters and IOGC Search Letters do not disclose any transfers or encumbrances which may have been submitted for registration but are not recorded as of the Effective Date, or which may have been recorded but are not entered into the data base of the particular Governmental Authority as of the Effective Date.
8. **Unregistered Liens.** No opinion is expressed with respect to transfers, security notices, mortgages, debentures, builders' liens or other encumbrances which have been executed, granted or created but which have not been filed, recorded or registered as of the Effective Date, and which may be filed thereafter within the time provided by Applicable Laws, or

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which are not reflected in the Provincial Crown Search Letters, Federal Crown Search Letters, IOGC Search Letters and Land Titles Searches.

9. **Operators' Liens.** The Hydrocarbon Interests may be encumbered by liens incurred or created under standard operating agreements in the ordinary course of business as security, in favour of any other person who is conducting the development or operation of the property to which such liens relate, for an owner's share of the costs and expenses of such development or operation.
10. **Validity of Applicable Laws.** We express no opinion as to the validity of the Applicable Laws under which the Provincial Crown Tenure, Federal Crown Tenure and IOGC Tenure Hydrocarbon Interests were granted and are currently held, or the Applicable Laws under which the Hydrocarbon Interests are able to be produced.
11. **Rights Reversion.** The undrilled or non-productive geological zones and formations, or spacing or drainage units, included in certain of the Hydrocarbon Interests included in Provincial Crown Tenure and Freehold Tenure may be subject to the future reversion to the Provincial Crown, Federal Crown, IOGC or the grantor of the Freehold Tenure as the case may be.
12. **Reliance on Search Letters.** We have relied on the Provincial Crown Search Letters, the Federal Crown Search Letters and the IOGC Search Letters as conclusive evidence that the Provincial Crown Tenures, the Federal Crown Tenures and the IOGC Tenures were validly issued, were subsisting as of the Effective Date, and have not been surrendered or otherwise withdrawn. We did not conduct Land Titles Searches in respect of Hydrocarbon Interests which are subject to Provincial Crown Tenure. With respect to all Crown Leases we have relied upon the Provincial Crown Search Letters as being conclusive proof of the beneficial entitlement of the Provincial Crown to the underlying Mineral Fee Interests. The Applicable Laws pursuant to which the Provincial Crown Tenures, the Federal Crown Tenures and the IOGC Tenures were granted generally permit a responsible officer of a Governmental Authority to cancel such tenure if the holder thereof fails to comply with a provision of the tenure or Applicable Laws. We have assumed no notices have been served pursuant to Applicable Laws which would entitle the Governmental Authority to cancel any tenure in the event certain acts are not done. Continuation of Provincial Crown Tenure, the Federal Crown Tenure and the IOGC Tenure are often subject to the exercise of discretion by responsible officers of a Governmental Authority. We have relied on the Provincial Crown Search Letters, the Federal Crown Search Letters and the IOGC Search Letters with respect to the continuation or extension of the associated Provincial Crown Tenure, the Federal Crown Tenure and the IOGC Tenure and we are not aware of any matter which would lead us to believe that such reliance is not warranted.

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13. **Reliance on Land Titles Searches.** This Report is based in part upon the accuracy and completeness of the Land Titles Searches and, unless indicated otherwise as a Specific Qualification, we have no reason to doubt the completeness thereof.
14. **Aboriginal or First Nation Land Claims.** We express no opinion with respect to any rights that may arise under Aboriginal or First Nation land claims.
15. **Applicable Law as of Effective Date.** The conclusions contained in this Report are restricted to the Applicable Law in effect on the Effective Date.
16. **Statutory Priorities, Liens and Exceptions to Title.** This Report is subject to:
 - (a) statutory priorities and preferences;
 - (b) any liens, encumbrances or other charges which are extant and still within time for registration or which are valid without registration, or were otherwise not revealed by our searches; and
 - (c) any and all statutory exceptions to title.
17. **Tax Assessments.** We have not conducted any examination of the taxes assessed by or paid to applicable Governmental Authorities in respect of the Hydrocarbon Tenures or the underlying Mineral Fee Interests, including but not limited to federal, provincial, county or municipal taxes, save for those instances, if any, where a notification, caution, caveat or other evidence of delinquent taxes has been recorded against a certificate of title. We have also not conducted any searches for arrears of income, freehold mineral acreage or production, or other taxes. Liens may attach to the Hydrocarbon interests if there has been a failure to pay such taxes.
18. **No Searches Conducted on Associated Persons.** We have conducted no due diligence searches in respect of any Associated Persons, or otherwise. Without restricting the generality of the foregoing, we have not conducted searches in respect of any name or names by which any Associated Person was previously known, including but not limited to Corporate Entity predecessors by amalgamation or continuation of any Associated Persons, predecessors in title of any Associated Persons, and parties holding or who have held the Hydrocarbon Interests or any part or portion thereof in trust for any Associated Person or their predecessors in title, if any. As we have conducted no due diligence searches in respect of any Associated Person or any other person, we express no opinion with respect to any matter which might have been disclosed by such due diligence searches.
19. **Application of Vernacular Test to Hydrocarbon Substance Severances.** The law in Canada with respect to the interpretation of mineral severance language is embodied in the “vernacular test” and was summarized by the House of Lords in *Borys v. Canadian Pacific*

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Railway as ascertaining “the meaning of the word in the mouths of those non-scientific persons who are concerned with its use, such as landowners, business men and engineers, and to be guided by them as to the true construction of the reservation”. The application of the vernacular test is a question of fact particular to the language of each Title Document or legislative enactment, the time and place of execution of the Title Document and the nature of the parties to each transaction or grant. Subsurface mineral severances may be roughly categorized into Crown Patent Severances, Mineral Fee Severances, Tenure Severances and Working Interest Severances. Recognizing the variety and uniqueness of industry transactions, under the vernacular test any analysis and determination of hydrocarbon entitlement based on the terms “petroleum” and “natural gas” is a factual assumption in respect of the intention of the parties to the Title Documents giving rise to the hydrocarbon substance severance. As a consequence, with respect to Freehold Tenures:

- (a) rights to asphalt, bituminous sands, brea, heavy oil, oil sands, oil shales, tar sands and coal oil are not included in the rights described in Schedule “A” under the heading “Leased Substances”, unless specifically referred to;
- (b) if the originating Freehold Tenure grants rights to “petroleum and natural gas”, then unless the parties to the Freehold Tenure have manifested a clear intention to the contrary, we have assumed that the current holders of the Working Interests are only entitled to:
 - i. crude oil, being hydrocarbons that from time to time occur below the gas-oil interface in a subsurface reservoir (i.e. hydrocarbons in liquid phase and those gaseous hydrocarbons in solution) and when produced are separately measured as a liquid; and
 - ii. natural gas, being hydrocarbons that occur from time to time above the gas-oil interface in a subsurface reservoir (i.e. hydrocarbons in gaseous phase and those liquid hydrocarbons in suspension) and when produced are measured as a gas; and
- (c) if the originating Freehold Tenure grants rights to “natural gas” only, “petroleum” only, or “petroleum and natural gas” and a subsequent Title Document has severed the “petroleum” rights from the “natural gas” rights, then unless the parties to the Freehold Tenure or the severing Title Document have manifested a clear intention to the contrary, we have assumed that the current holders of the Working Interests are only entitled to crude oil or natural gas, as the case may be.

As considerable ambiguity surrounds entitlement to solution gas and free gas liquids, we offer no opinion in respect of whether such hydrocarbon substances are included in the terms “petroleum” or “natural gas” in Schedule “A” hereto under the heading “Leased

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- Substances”. Similarly, we offer no opinion in respect of any hydrocarbon substances which undergo phase or solubility changes following initial disturbance of the subsurface reservoir.
20. **Opportunity to Exploit.** We offer no opinion in respect of surface access, or rights to work through overlying or adjacent minerals, or whether the holder of a Hydrocarbon Tenure will be afforded the opportunity to exploit the hydrocarbons substances granted thereby. The ability to market hydrocarbon substances is also often subject to Applicable Laws and obtaining consents of a Governmental Authority or other person.
21. **Surface Estate, Tangible Property and Physical Locations.** We have assumed that the term “all mines and minerals” is a term of art with a meaning that is equivalent to the term subsurface, and that the person entitled to the surface estate has no entitlement to any subsurface interests. We express no opinion as to the title to the surface estate of any tract of land comprising the Hydrocarbon Interests, to any Tangible Property associated therewith. We also express no opinion as to the existence or actual location of any wells, any boundaries of the Hydrocarbon Interests nor as to any encroachments thereon, or on the correct acreage of the Hydrocarbon Interests or any accretion or any rights, claims or other matters which would be disclosed only by physical examination or survey.
22. **Beds and Shores.** We express no opinion as to rights to the subsurface underlying the beds or shores of any bodies of water now or previously located on lands associated with Patented Lands.
23. **Road Allowances.** We express no opinion as to rights to the subsurface underlying the road allowances adjoining the Hydrocarbon Interests.
24. **Pore Spaces and Storage Rights.** We offer no opinion in respect of the ownership of subsurface pore spaces or caverns, or the right to inject substances therein for the purposes of storage, disposal, enhanced recovery, or otherwise.
25. **Spacing Units.** In each case, if any, where it was necessary for us to determine the areal extent of a spacing or drainage unit for a well, we have assumed, in the absence of information to the contrary, quarter section spacing or drainage units for oil wells and potential oil wells, and full section spacing or drainage units for gas wells and potential gas wells.
26. **Well and Production Information.** If and to the extent that we have obtained information from a Government Authority or through Private Party Searches with respect to wells or evidencing the absence of wells, we have relied on the accuracy and completeness of such information, including information regarding production. If production information indicates that production from a well occurred during a month, we have assumed that production occurred without cessation during the entire month.

January 18, 2022

27. **Table of Formations and Stratigraphic Severances.** If and to the extent we have reviewed a table of formations to determine the depth of zones or formations, either in absolute terms or relative to one another, we have relied on such table of formations. To the extent that the “Demised Estate” described in Schedule “A” hereto makes reference to specific zones or formations, we have attempted to reference the Title Document giving rise to such stratigraphic severance and have relied thereon.
28. **Revenue Interests.** One or more of the Revenue Interests may not be an interest in land and may therefore not encumber the associated Hydrocarbon Interests in a manner so as to oblige a purchaser, absent contractual provisions, to be bound by such Revenue Interest. We have nonetheless listed such obligations as Revenue Interests encumbering the associated Hydrocarbon Interests in view of industry practice to honour such obligations. Unless otherwise described in Schedule “A” hereto, each Working Interest is subject to a proportionate share of the listed Revenue Interest for each tract comprising the Hydrocarbon Interests. We have not, in all circumstances, confirmed the chains of title in respect of the persons entitled to the benefits of the Revenue Interests, if any, and in particular as a practice we list the payee of the Freehold Lessor Royalty as the current Mineral Fee Interest Owners, unless there is evidence to the contrary, including the registration on the relevant certificate of title of a gross royalty trust or similar agreement. In addition to the Revenue Interests, the Hydrocarbon Interests may also be subject to contractual arrangements relating to the sale, storage, processing, or transportation of the hydrocarbon substances produced therefrom but, regardless of the terms of such contractual arrangements, we have not listed any such contractual arrangements as Revenue Interests.
29. **Endorsements on Provincial Crown Tenure.** Provincial Crown Tenure often contains endorsements reflecting registration of transfers and other registrable documents. We have relied upon these endorsements as being accurate, whether or not we have also been able to examine the underlying document upon which the endorsement is based. In situations where we have not been able to examine such underlying document, we have indicated this in the document description or the Specific Qualification.
30. **Payout.** The occurrence of payout, or the giving of notice in respect thereof, with regard to a well, group of wells, or any operation as contemplated by the Title Documents is often undocumented or poorly documented. We have generally not sought to determine whether payout has occurred, unless otherwise stated, and have assumed that the election to convert from a Revenue Interest to a Working Interest upon payout or abandonment of an earning well occurred automatically, and that election to accept participation in a well after payout of an independent operation, occurred automatically.

January 18, 2022

31. **Consents to Disposition.** We have not considered whether or not there has been compliance with those provisions contained in the Title Documents which require a party assigning an interest to obtain the consent of the counterparties to those Title Documents. Similarly, we have not listed correspondence pertaining to such provisions as Title Documents. In our experience, strict compliance with consent provisions is rare and, in any event, the failure to comply with consent provisions in such circumstances rarely has significant consequences.
32. **Compliance with Title Documents.** We have not determined the performance of or compliance with any term or provision in any of the Title Documents except:
- (a) we have inquired into the compliance with any rights of first refusal and similar preferential rights;
 - (b) in respect of Title Documents such as farmout agreements where an interest is earned only upon complying with certain obligations or upon the occurrence of a specific event, we have, except as otherwise noted in the Specific Qualifications, determined to our satisfaction that the conduct of the relevant parties, as disclosed by the Title Documents, establishes that such earning is not in dispute;
 - (c) we have inquired into material title-related default matters, if any, where the Title Documents have disclosed non-performance or non-compliance or have disclosed that non-performance or non-compliance are currently in issue or the subject matter of dispute;
 - (d) we have inquired into the timely payment of Freehold Tenure delay rentals in each instance, if any, where a failure to pay such delay rentals on a timely basis would result in automatic termination of the Freehold Tenure; and
 - (e) we have inquired into the timely payment of Freehold Tenure suspended well payments in each instance, if any, where a failure to pay such suspended well payments on a timely basis in the absence of continuous actual or deemed production or operations would result in automatic termination of the Freehold Tenure.
33. **Industry Agreement.** We have reviewed the Industry Agreement as well as the final lists of signatories to the Industry Agreement as of November 15, 1993. Except where the documents reviewed expressly disclose evidence contrary to such assumption, we have assumed that each Title Document is an “Agreement”, as defined in the Industry Agreement, is amended by the Industry Agreement and that the Assignment Procedure and the Notice of Assignment attached thereto are applicable to all such Title Documents and we are not aware of any matter which would lead us to believe that such assumption is not warranted.

January 18, 2022

34. **Document Descriptions.** The Title Documents have been succinctly described in Schedule “A” hereto only to identify the documents we have examined in connection with rendering the Report. For this purpose, strictly speaking, only the dates and parties to the Title Documents need have been set out; however, to help explain the chain of title, we may have in a number of cases set out a description of the effect of the Title Documents. These descriptions do not form a part of our Report. They are not intended to and do not comprehensively set out the details and effect of the Title Documents.

ANNEXURE C – INVESTIGATING ACCOUNTANT’S REPORT

The Directors
Whitebark Energy Limited
20D William Street
NORWOOD SA 5067

10/03/2022

Dear Directors,

INVESTIGATING ACCOUNTANT'S REPORT

Independent Limited Assurance Report on the historical and pro forma historical financial information

Introduction

This report has been prepared at the request of the Directors of Whitebark Energy Limited (the Company), for inclusion in the prospectus (the Prospectus) to be issued in respect of the Company's entitlement offer and reinstatement of the Company's Shares to trading on the Official List (Reinstatement) on the Australian Securities Exchange.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus.

Scope

Statutory Historical Financial Information

You have requested UHY Haines Norton Corporate Finance Pty Limited ("UHYHNCF") to review the statutory historical financial information of the Company, being:

- the statutory historical consolidated statement of profit or loss and other comprehensive income for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the statutory historical consolidated statement of cash flows for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- the statutory historical consolidated statement of financial position as at 30 June 2019, 30 June 2020 and 30 June 2021.

as set out in Sections 6.3, 6.5 and 6.6 respectively of the Prospectus (together "the Statutory Historical Financial Information").

The Statutory Historical Financial Information for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 has been extracted from the audited general purpose financial statements of the Company, which were audited by KPMG Australia (KPMG) in accordance with the Australian Auditing Standards. KPMG has issued an unmodified audit opinions on these financial statements.

Without modification of its audit opinions, KPMG audit reports included a paragraph drawing attention to the fact that there were events or conditions, along with other matters disclosed in the financial statements indicating that a material uncertainty existed that may cast doubts on the Company's ability to continue as a going concern.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro Forma Historical Financial Information

You have requested UHY Haines Norton Corporate Finance Pty Limited ("UHYHNCF") to review the pro forma historical financial information of the Company, being:

- the pro forma historical consolidated statement of financial position as at 30 June 2021.

as set out in Section 6.7 of the Prospectus ("the Pro Forma Historical Financial Information").

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Section 6.8 of the Prospectus (the Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the Statutory Historical Financial Information and the events or transactions to which the Pro Forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or performance.

The Pro Forma Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information;
- the preparation and presentation of the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information; and

- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors of the Company determine are necessary to enable the preparation of Statutory Historical Financial Information and the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information and the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

Statutory Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of the Statutory Historical Financial Information from the audited financial statements of the Company for the financial years ending 30 June 2019, 2020 and 2021;
- analytical procedures on the Statutory Historical Financial Information;
- a review of the stated basis of preparation, as described in the Prospectus, to the Statutory Historical Financial Information for consistency of application over the period;
- a review of work papers, accounting records and other documents of the Company and the work papers of its auditors;
- a review of the application of Australian Accounting Standards; and
- enquiry of Directors, management and other relevant persons in relation to the Statutory Historical Financial Information.

Pro Forma Historical Financial Information

- consideration of work papers, accounting records and other documents of the Company, including those dealing with the extraction of the Statutory Historical Financial Information from the audited financial statements of the Company for the financial year ended 30 June 2021;
- consideration of the appropriateness of the Pro Forma Adjustments described in Section 6.8 of the Prospectus;
- enquiry of Directors, management and other relevant persons of the Company;
- the performance of analytical procedures applied to the Pro Forma Historical Financial Information;
- a review of work papers, accounting records and other documents of the Company and the work papers of its auditors; and
- a review of the accounting policies adopted and used by the Company over the period for consistency of application.

Conclusions

Statutory Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Sections 6.3, 6.5 and 6.6 of the Prospectus, and comprising:

- the statutory historical consolidated statement of profit or loss and other comprehensive income for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021;
- the statutory historical consolidated statement of cash flows for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- the statutory historical consolidated statement of financial position as at 30 June 2019, 30 June 2020 and 30 June 2021.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2 of the prospectus.

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information, as described in Section 6.7 of the Prospectus, and comprising:

- the pro forma historical consolidated statement of financial position as at 30 June 2021.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 6.2 of the prospectus.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 6.2 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

UHY Haines Norton Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

General Advice Limitation

This Report has been prepared and included in the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on this information contained in this Report. Before acting or relying on information, an investor should consider whether it is appropriate for their circumstances having regards to their objectives, financial situation or needs.

Disclosure of Interest

UHY Haines Norton Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report for which normal professional fees will be received.

Yours faithfully



Vikas Gupta
Director, UHY Haines Norton Corporate Finance Pty Limited
10/03/2022
Sydney

FINANCIAL SERVICES GUIDE

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INVESTIGATING ACCOUNTANT'S REPORT

1. UHY Haines Norton Transaction Advisory Services

UHY Haines Norton Corporate Finance Pty Ltd ("UHYHNCF" or "we" or "us" or "our") has been engaged to provide general financial product advice in the form of an Investigating Accountant's Report ("Report") in connection with a financial product of another person. The Report is to be included in documentation being sent to you by that person. AFSL License no: 269158.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail and wholesale clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence, which authorises us to provide the following services:

- financial product advice for the following classes of financial products:
 - (i) securities to retail and wholesale clients

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$35,000 (exclusive of GST).

Except for the fees and benefits referred to above, UHYHNCF, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of our Report.

6. Associations with product issuers

UHYHNCF and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of UHYHNCF is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the below details. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company’s employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of the Corporations Act 2001.

<p>Contacting UHYHNCF</p> <p>The Director UHY Haines Norton Corporate Finance Pty Ltd Level 11, 1 York Street Sydney NSW 2001</p> <p>Telephone: (02) 9256 6600</p>	<p>Contacting the Independent Dispute Resolution Scheme:</p> <p>Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001</p> <p>Telephone: 1300 367 287</p>
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

ANNEXURE D – SIGNIFICANT ACCOUNTING POLICIES

1. Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. The consolidated financial statements have been prepared using the recognition and measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The bases are more fully described in the accounting policies below.

(a) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of year end balance date. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

(b) Business combination

The Group applies the acquisition method in accounting for business combinations in accordance with AASB 3. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(c) **Foreign currency**

(i) **Foreign currency transactions**

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) **Financial statements of foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income in the foreign currency translation reserve of equity.

(d) **Exploration and evaluation expenditure**

Exploration and evaluation costs, including the costs of acquiring licences and the costs of acquiring the rights to explore, are capitalised as exploration and evaluation assets on an area of interest basis.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of petroleum resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to property plant and equipment assets.

(e) **Determination of recoverability of asset carrying values**

The recoverability of development and production asset carrying values are assessed at a cash-generating unit ("CGU") level. Determination of what constitutes a CGU is subject to management judgements. The asset composition of a CGU can directly impact the recoverability of the assets included therein. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

- (i) **Reserves:** Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.
- (ii) **Oil and natural gas prices:** Forward price estimates are used in the cash flow model. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather, and economic and geopolitical factors.
- (iii) **Discount rate:** The discount rate used to calculate the net present value of cash flows is based on estimates of an approximate industry peer group weighted average cost of capital. Changes in the general economic environment could result in significant changes to this estimate.

(f) **Reserve estimates**

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 as appropriate. Revisions occur as a result of changes in prices, costs, fiscal regimes and reservoir performance or changes in the Company's plans with respect to future development or operating practices.

(g) **Restoration, rehabilitation and environmental costs and decommissioning obligations**

Restoration, rehabilitation and environmental costs necessitated by exploration and evaluation activities are accrued at the time of those activities and treated as exploration and evaluation expenditure.

Restoration, rehabilitation and environmental obligations recognised include the costs of reclamation and subsequent monitoring of the environment.

Costs are estimated on the basis of future assessed costs, current legal requirements and current technology, which are discounted to their present value. The present value of the costs is included as part of the cost of the exploration and evaluation asset or the property plant and equipment asset. Estimates are reassessed at least annually. Changes in estimates are dealt with prospectively, with any amounts that would have been written off or provided against under accounting policy for exploration and evaluation immediately written off.

Amounts recorded for decommissioning obligations and the related accretion expense requires the use of estimates with respect to the amount and timing of decommissioning expenditures. Actual costs and cash outflows can differ from estimates because of changes in laws and regulations, public expectations, market conditions, discovery and analysis of site conditions and changes in technology. Other provisions are recognized in the period when it becomes probable that there will be future cash outflow.

(h) **Development expenditure**

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of hydrocarbon resource has commenced.

When further development expenditure is incurred in respect of an asset after commencement of production, such expenditure is carried forward as part of the asset only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation of costs is provided on the unit-of-production method with separate calculations being made for each hydrocarbon resource. The unit-of-production basis results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the reserves life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the development and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted.

(i) **Trade and other receivables**

Other receivables are recorded at amounts due less any allowance for doubtful debts.

(j) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Cash equivalents include deposits and other highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flow.

(k) **Impairment of non-financial assets**

The carrying amounts of the consolidated entity's non-financial assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Recoverable amount is the higher of value in use and fair value less cost to sell. Impairment losses are recognised in the profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (group of units) on a pro rata basis.

(l) **Reversals of impairment**

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate 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 depreciation or amortisation, if no impairment loss had been recognised.

(m) **Share capital**

(i) **Dividends**

Dividends are recognised as a liability in the period in which they are declared.

(ii) **Transaction costs**

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(n) **Earnings per share**

(i) **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the

financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(o) **Property, plant and equipment**

Buildings, IT equipment and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management. Buildings and IT equipment also include leasehold property held under a finance lease. Buildings, IT equipment and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Developed and producing assets are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other costs are recognised in expenses as incurred. Such capitalised oil and gas interests generally represent costs incurred in developing proven and/or probable reserves and bringing on or enhancing production from such reserves. The carrying amount of any replaced or sold component is derecognised. The costs of periodic servicing of property plant and equipment is recognised as an expense.

(p) **Depletion and depreciation**

The net carrying value of developed and producing assets are depleted using the unit of production method by reference to the ratio of production in the period to the related proven developed and undeveloped reserves, taking into account estimated future development costs necessary to bring those undeveloped 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 on an annual basis.

Proven and probable reserves are estimated using independent reserve engineer reports and represent the estimated quantities of oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

In determining reserves for use in the depletion and impairment calculations, a BOE conversion ratio of six thousand cubic feet of natural gas ("Mcf") to one barrel of oil ("bbl") is used as an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE conversions in the reserve reports are derived by converting natural gas to oil in the ratio of six Mcf of gas to one barrel of oil.

For other assets, depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of buildings, IT equipment and other equipment. The following useful lives are applied:

- (i) IT equipment: 4 years
- (ii) Other equipment: 4-5 years

In the case of leasehold property, expected useful lives are determined by reference to the lesser of comparable owned assets useful lives and the lease term.

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit and loss.

(q) **Fair value measurement**

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and

best use or to sell it to another market participant that would use the asset in its highest and best use

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 – Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) If a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) If significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

(r) **Employee benefits**

As at balance date, the company had no employees and hence no entitlement provisions are accounted for.

(s) **Provisions**

A provision is recognised in the statement of financial position when the consolidated entity has a present, legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(t) **Trade and other payables**

Trade and other payables are non-interest bearing liabilities stated at cost and settled within 30 days.

(u) **Revenue recognition**

Revenue is recognised when the control of the goods or services is transferred to the customer. Determining the timing of the transfer of control requires judgement. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid.

(i) **Net financial income**

Net financial income comprises interest on borrowings calculated using the effective interest method, interest receivable on funds invested and dividend income.

Interest income is recognised in the profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss on the date the entity's right to receive payments is established which in the case of quoted securities is the ex-dividend date.

(ii) **Sales revenue**

Revenue from the sale of oil and natural gas will be recorded when control of the goods or services transfer to the customer. The transfer of control of oil, natural gas, natural gas liquids usually occurs at a point in time and coincides with title passing to the customer and the customer taking physical possession.

(v) **Income tax**

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Whitebark Energy Ltd.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Included in the income tax benefit are research and development grants provided during the year.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised in the income statement at the time the claim is lodged and received with the Australian Tax Office.

(w) **Segment reporting**

An operating segment is a component of the consolidated entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the consolidated entity's other components. Based on the information used for internal reporting purposes by the chief operating decision maker, being the executive management that makes strategic

decisions, at year end balance date of the group's assets are in two reportable geographical segments being Australia and Canada.

(x) **Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(y) **Financial instruments**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is to hold assets to collect contractual cash flows; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: – it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and – its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- (i) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- (ii) how the performance of the portfolio is evaluated and reported to the Group's management;
- (iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- (iv) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- (v) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the asset.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- (i) contingent events that would change the amount or timing of cash flows;
- (ii) terms that may adjust the contractual coupon rate, including variable-rate features;
- (iii) prepayment and extension features; and
- (iv) terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(z) Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be

incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option or lease term extension and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(aa) Interest in other entities

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement in which the parties with joint control have rights to the assets and obligations for the liabilities relating to that arrangement.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(bb) Adoption of new and revised accounting standards

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.