

**PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO  
MAKE A DECISION PRIOR TO 5:00 P.M. (MOUNTAIN TIME) ON OCTOBER 28, 2024.**

*This rights offering circular (the "Circular") is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.*

*This is the circular we referred to in the September 13, 2024 rights offering notice (the "Notice"), which you should have already received. Your direct registration system (DRS) advice statement evidencing your rights (a "Rights DRS Advice") and relevant forms were enclosed with the Notice. This Circular should be read in conjunction with the Notice and our continuous disclosure prior to making an investment decision.*

*This Circular does not constitute an offer or a solicitation in any jurisdiction in which, or to any person to whom, such offer or solicitation is unlawful.*

*The Offering is not made in any jurisdiction where the Company is not eligible to make the offer. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S Securities Act") or the securities laws of any state of the "United States" (as that term is defined in Regulation S under the U.S Securities Act). This Circular does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States, and the securities offered herein may not be offered, sold or exercised in the United States, or to or for the benefit of any "U.S. person" (as that term is defined in Regulation S under the U.S Securities Act), unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements.*

**Rights Offering Circular**

**September 13, 2024**



**PRAIRIE PROVIDENT RESOURCES INC.**

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**OFFERING OF RIGHTS TO SUBSCRIBE FOR UP TO 529,579,000 COMMON SHARES**

**Price: C\$0.025 per Common Share**

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**We currently have a working capital deficit and require that the Offering be completed in order to address near-term debt maturities and continue as a going concern.**

Except as otherwise indicated herein or as the context otherwise requires, references in this Circular to "PPR", the "Company", "we", "us" and "our" mean Prairie Provident Resources Inc., and references in this Circular to "you", "your" and similar terms mean shareholders of the Company. Unless otherwise indicated, reference herein to "C\$" is to Canadian dollars and reference herein to "US\$" is to United States dollars. Certain terms used in this Circular are defined elsewhere herein.

## SUMMARY OF THE RIGHTS OFFERING

### Why are you reading this Circular?

We are distributing, at no charge, to registered holders of our outstanding common shares as of the close of business on September 24, 2024 (the "**Record Date**"), transferable subscription rights (the "**Rights**") to purchase up to an aggregate of 529,579,000 common shares ("**Common Shares**") on the terms and conditions described in this Circular (the "**Offering**"). Each registered shareholder will receive one Right for each Common Share owned of record at the close of business on the Record Date.

As more particularly described below in this Circular, a holder of Rights will be entitled to subscribe for and purchase one whole Common Share, at a subscription price of C\$0.025 per share (the "**Subscription Price**"), for every 1.352313 Rights, subject to the terms and conditions described in this Circular.

The purpose of this Circular is to provide you with detailed information about the Offering and your rights and restrictions in respect thereof. This Circular should be read in conjunction with the Notice, which you should have already received.

### *Participation Commitments by Principal Shareholder and Directors and Management*

As more particularly described below in this Circular, our principal shareholder, PCEP Canadian Holdco, LLC (the "**Principal Holder**"), which currently holds approximately 75.5% of our outstanding Common Shares, has agreed to participate in the Offering to the full extent of its 75.5% pro rata holding, amounting to 400,000,000 Common Shares for an aggregate Subscription Price of C\$10,000,000 (the "**Basic Commitment**"), of which C\$3,131,450 will be paid and satisfied by way of setoff against the Interim Advance (defined and described below).

In furtherance of its Basic Commitment, the Principal Holder has agreed to exercise its Rights with respect to the Basic Subscription Privilege (as defined and described below) as soon as reasonably practicable and in any event not later than September 30, 2024 (the "**Initial Closing Date**").

The Basic Commitment from the Principal Holder is supplemented by commitments from our directors and management to participate in the Offering and exercise their Rights, with respect to their Basic Subscription Privilege and, as applicable, Additional Subscription Privilege (if available), to subscribe for an aggregate of 16,000,000 Common Shares for an aggregate Subscription Price of C\$400,000 (the "**D&O Commitments**").

In addition, the Principal Holder has provided a C\$1,600,000 standby commitment to purchase up to an additional 64,000,000 Common Shares at the Subscription Price, less the total number of Common Shares acquired under the Offering by holders other than the Principal Holder and directors and management under the D&O Commitments (the "**Standby Commitment**"). Fulfillment of the Standby Commitment, together with the Basic Commitment (C\$10,000,000) and the D&O Commitments (C\$400,000), will result in the aggregate Subscription Price for all Common Shares issued in connection with the Offering being at least C\$12,000,000.

For further information, see "*Insider Participation – Will insiders be participating?*", "*Use of Available Funds – How will we use the available funds?*" and "*Standby Commitment*" below.

### *First Lien Loan and Second Lien Notes Amendments*

As disclosed in our news release announcing the Offering, we have also entered into amending agreements with the lenders under our senior secured credit facility (the "**First Lien Loan**") and the holders of our outstanding second lien notes (the "**Second Lien Notes**") to, among other things:

- extend the maturity date of the First Lien Loan to March 31, 2026, subject to acceleration if: (i) the Basic Commitment of the Principal Holder, to subscribe for an aggregate Subscription Price of C\$10,000,000 of Common Shares under the Offering, is not completed by September 30, 2024, or (ii) the Company does not raise at least C\$12,000,000 in total additional equity capital (including the Basic Commitment), whether under the Offering or otherwise, by October 31, 2024;
- extend the maturity date of the Second Lien Notes to September 30, 2026;
- defer a portion of cash interest obligations on amounts owed under the First Lien Loan, through capitalization as additional principal of all accrued interest amounts through December 31, 2024; and
- adjust financial covenants, to replace existing covenants with new measures and thresholds that align with the Company's current expectations for the remaining term to maturity.

Total borrowings of US\$5.4 million and C\$45.9 million are currently drawn and outstanding under the First Lien Loan, including deferred interest amounts through August 31, 2024.

Total borrowings of US\$7.0 million are currently outstanding under the Second Lien Notes, including deferred interest amounts through August 31, 2024 and the Interim Advance (defined and discussed below under "*Use of Available Funds – How will we use the available funds?*"). Certain affiliates of the Principal Holder hold the outstanding Second Lien Notes.

The First Lien Loan amendments require that we raise at least C\$12,000,000 in total additional equity capital (including the Basic Commitment), whether under the Offering or otherwise, by October 31, 2024. If the Basic Commitment of the Principal Holder, to subscribe for C\$10,000,000 of Common Shares under the Offering (to be partially satisfied by way of setoff against the Interim Advance (defined and described below)), is not completed by September 30, 2024, or if the Company does not raise at least C\$12,000,000 in total additional equity capital (including the Basic Commitment), whether under the Offering or otherwise, by October 31, 2024, there will be an event of default under the First Lien Loan, entitling the lenders thereunder to accelerate maturity and demand payment in full of all borrowings and other amounts payable under the First Lien Loan.

Fulfillment of: (i) the Basic Commitment of the Principal Holder (C\$10,000,000), which the Principal Holder has agreed to complete by September 30, 2024, (ii) the D&O Commitments (C\$400,000) by our directors and management, and (iii) as may be required, the Standby Commitment (up to C\$1,600,000, reduced only to the extent of funded subscriptions under the Offering other than by the Principal Holder and other than pursuant to the D&O Commitments), will satisfy the additional equity requirements of the First Lien Loan amendments.

### **What is being offered?**

We are distributing, at no charge, one Right, with identical terms and conditions, for each Common Share held of record by registered holders of our Common Shares as of the close of business on the Record Date.

### **What does one Right entitle you to receive?**

Each Right will entitle its holder to subscribe for and purchase 0.739474 of a Common Share at the Subscription Price on or before 5:00 p.m. (Mountain time) (the "**Expiry Time**") on October 28, 2024 (the "**Expiry Date**") and otherwise on the terms and conditions described in the Notice and in this Circular (the "**Basic Subscription Privilege**"). Rights cannot be exercised to acquire less than one whole Common Share. As a result, 1.352313 Rights and payment of C\$0.025 is required to purchase one whole Common Share.

The Basic Commitment of the Principal Holder is a commitment to exercise the Principal Holder's Basic Subscription Privilege.

If you fully exercise your Basic Subscription Privilege (other than with respect to those Rights that would entitle you to acquire less than one whole Common Share), you may subscribe for additional Common Shares offered in the Offering but which have not been issued under the Basic Subscription Privilege (the "**Additional Subscription Privilege**"), subject to availability and pro rata allocation of such additional Common Shares among holders exercising the Additional Subscription Privilege. To the extent the total number of Common Shares not issued under the Basic Subscription Privilege (and therefore available for purchase under the Additional Subscription Privilege) is less than the number needed to satisfy all Additional Subscription Privilege requests, then the available Common Shares will be prorated among those holders who properly exercised their Additional Subscription Privilege based in each case on the number of Common Shares that each such exercising holder subscribed for under the Basic Subscription Privilege, compared to the total number of Common Shares subscribed for under the Basic Subscription Privilege by all holders who properly exercised their Additional Subscription Privilege. If this pro rata allocation would result in any holder receiving a greater allocation of Common Shares than the holder subscribed for pursuant to the Additional Subscription Privilege, then the holder will be allocated only that number of Common Shares for which the holder subscribed pursuant to the Additional Subscription Privilege, and the remaining Common Shares will be re-allocated among all other holders properly exercising the Additional Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Common Shares have been allocated or all Additional Subscription Privilege exercises have been fulfilled, whichever occurs earlier.

No fractional Common Shares will be issued under the Offering. Where any exercise of Rights would otherwise entitle the exercising holder to receive fractional Common Shares, the holder's entitlement will be reduced and rounded down to the next lowest whole number of Common Shares, and the fraction shall be cancelled without any repayment of capital or other consideration therefor.

Rights will be evidenced by a Rights DRS Advice issued under the direct registration system administered by Alliance Trust Company (the "**Subscription Agent**").

To exercise your Rights, you must complete the subscription form (the "**Subscription Form**") included with the Notice and Rights DRS Advice and deliver it to the Subscription Agent, together with full payment for all the Common Shares for which you are subscribing on exercise of your Rights under the Basic Subscription Privilege and, if you so choose, the Additional Subscription Privilege, before the Expiry Time on the Expiry Date. You may deliver the required documents and payments by hand, mail or commercial courier. If mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested.

If you are a beneficial owner of Common Shares that are registered in the name of a broker, bank or other nominee and you wish to participate in the Offering, you should instruct the Registered Holder (defined and described below) of your Common Shares to exercise Rights on your behalf and deliver all required documents and payment before the Expiry Time on the Expiry Date. You should contact the Registered Holder as soon as possible as they may establish an earlier deadline for receiving subscription instructions. See "*How to Exercise the Rights*" below.

### **What is the subscription price?**

The Subscription Price for each Common Share issuable on an exercise of Rights (whether under the Basic Subscription Privilege or the Additional Subscription Privilege) is C\$0.025 per whole Common Share, payable by certified cheque, bank draft or money order. To be effective, any payment related to the exercise of a Right must clear prior to the Expiry Time on the Expiry Date.

The Subscription Price represents a 30.5% discount to the 5-day volume weighted average trading price of the common shares on the Toronto Stock Exchange (the "**TSX**") for the 5 trading days ended September 12, 2024.

On September 12, 2024, being the last trading day before announcement of the Offering and determination of the Subscription Price, the closing price of the Common Shares on the TSX was C\$0.035.

### **When does the Offering expire?**

The Rights may be exercised until expiration of the Offering, which is 5:00 p.m. (Mountain time) (being the Expiry Time) on October 28, 2024 (being the Expiry Date). Any Rights not exercised at or after the Expiry Time will automatically terminate and become void and of no value.

Although Rights do not expire until the Expiry Date, the Principal Holder has agreed, pursuant to its Basic Commitment, to exercise its Rights with respect to its Basic Subscription Privilege as soon as reasonably practicable and in any event not later than the Initial Closing Date. We will close this exercise by the Principal Holder of its Basic Subscription Privilege, and complete the issue and sale of the 400,000,000 Common Shares thereunder, on the Initial Closing Date (approximately four weeks before the Expiry Date). See "*Insider Participation – Will insiders be participating?*" below.

We will also close on the Initial Closing Date the subscription of any other holder of Rights (an "**Early Exercising Holder**") that validly exercises the Basic Subscription Privilege (including payment of the aggregate Subscription Price for the Common Shares subscribed for) by delivering to the Subscription Agent a properly executed Subscription Form and the required payment not later than 5:00 p.m. (Mountain time) on September 27, 2024, being the last business day before the Initial Closing Date, and electing in their Subscription Form to have their purchase of Common Shares arising therefrom completed on the Initial Closing Date. See "*How to Exercise the Rights – How does a shareholder that is a Registered Holder participate in the Offering?*" below.

The proceeds from any exercises of the Basic Subscription Privilege closed on the Initial Closing Date will be promptly thereafter released to the Company, and the Offering will remain open thereafter with respect to any unexercised Rights, which will remain exercisable in accordance with the terms described in this Circular until the Expiry Date.

### **What are the significant attributes of the Rights issued under the Offering and the securities to be issued upon the exercise of the Rights?**

Each Right entitles the holder to subscribe for and purchase 0.739474 of a Common Share at the Subscription Price, exercisable for whole Common Shares only, pursuant to the Basic Subscription Privilege and, if available, the Additional Subscription Privilege, until the Expiry Time on the Expiry Date. Rights cannot be exercised to acquire less than one whole Common Share. As a result, 1.352313 Rights and payment of C\$0.025 is required to purchase one whole Common Share.

No fractional Common Shares will be issued under the Offering. Where any exercise of Rights would otherwise entitle the exercising holder to receive fractional Common Shares, the holder's entitlement will be reduced and rounded down to the next lowest whole number of Common Shares, and the fraction shall be cancelled without any repayment of capital or other consideration therefor.

The Rights are transferable and are expected to be listed on the TSX under the symbol "PPR.RT". See "*Where will the Rights and Common Shares issuable upon the exercise of the Rights be listed for trading?*" below for more information.

A holder of Rights is not, by reason of owning the Rights, a shareholder of the Company and does not have any rights of a shareholder with respect to any Rights held.

The Rights are exercisable for fully paid and non-assessable Common Shares. We are authorized to issue an unlimited number of Common Shares, of which 716,155,736 are issued and outstanding as of the date of this Circular. Holders of Common Shares are entitled to receive notice of and to one vote per Common Share held at meetings of our shareholders, to receive such dividends (if any) as our board of directors may declare, and to share equally in such remaining assets of the Company as are distributable to shareholders upon its liquidation, dissolution or winding-up. The Common Shares are the only class of outstanding voting securities, and the only class of outstanding equity securities, of the Company.

**What are the minimum and maximum number of Common Shares that may be issued under the Offering?**

The Offering is subject to a minimum subscription level of 400,000,000 Common Shares, representing approximately 75.5% of the total number of Common Shares available for purchase under the Offering, for an aggregate Subscription Price of C\$10,000,000. Fulfilment by the Principal Holder of its Basic Commitment, to fully exercise its Basic Subscription Privilege to the full extent of its 75.5% pro rata holding, will achieve the minimum subscription level for the Offering. See "*Insider Participation – Will insiders be participating?*" and "*Use of Available Funds – How will we use the available funds?*" below.

If the Offering is fully subscribed, whether pursuant to the Basic Subscription Privilege or the Additional Subscription Privilege, a total of 529,579,000 Common Shares will be issued in connection with the Offering (subject to adjustment for rounding) for aggregate gross proceeds of C\$13,239,475.

**Where will the Rights and Common Shares issuable upon the exercise of the Rights be listed for trading?**

Our outstanding Common Shares are, and any Common Shares issued under the Offering will be, listed on the TSX under the symbol "PPR". The Rights are expected to be listed on the TSX under the symbol "PPR.RT" until 12:00 p.m. (Eastern time) on the Expiry Date, at which time the Rights will be halted from trading.

**IMPORTANT DATES**

Notice, Circular and News Release filed on the Company's SEDAR+ profile at <a href="http://www.sedarplus.ca">www.sedarplus.ca</a> and available on the Company's website at <a href="http://www.ppr.ca">www.ppr.ca</a>	September 13, 2024
Last day to trade in Common Shares on the TSX with Rights attached	September 23, 2024
Listing and trading of Rights commences on the TSX at market open under trading symbol "PPR.RT"	September 24, 2024
Common Shares commence trading ex-Rights on the TSX	September 24, 2024
<b>Record Date for the Offering</b>	September 24, 2024
Notice, Rights DRS Advice and Subscription Form mailed to Registered Holders in Canada	On or about September 26, 2024
Offering opens for shareholders holding Rights	September 26, 2024
Initial Closing Date (closing of subscriptions on early exercise of Basic Subscription Privilege by: (i) the Principal Holder, pursuant to its Basic Commitment, and (ii) any Early Exercising Holder)	September 30, 2024

Last day for trading Rights on the TSX	October 28, 2024 at 12:00 p.m. (Eastern time)
Offering closes (Expiry Time)	October 28, 2024 at 5:00 p.m. (Mountain time)
Results of Offering announced by the Company	On or before October 31, 2024

### USE OF AVAILABLE FUNDS

#### What will our available funds be upon the closing of the Offering?

Full exercise by the Principal Holder, pursuant to its Basic Commitment, of its Basic Subscription Privilege will result in the sale of 400,000,000 Common Shares (being approximately 75.5% of the total number of Common Shares available for purchase under the Offering) for an aggregate Subscription Price of C\$10,000,000 (to be partially satisfied by way of setoff against the Interim Advance described below). See "*Insider Participation – Will insiders be participating?*" and "*Use of Available Funds – How will we use the available funds?*" below.

If the Offering is fully subscribed, whether pursuant to the Basic Subscription Privilege or the Additional Subscription Privilege, 529,579,000 Common Shares (including the 400,000,000 Common Shares issuable to the Principal Holder on early exercise of its Basic Subscription Privilege pursuant to its Basic Commitment) will be issued under the Offering (subject to adjustment for rounding) for an aggregate Subscription Price of C\$13,239,475.

The following table sets out our estimates of the Company's available funds on completion of the Offering, assuming, respectively, the minimum subscription level through full exercise by the Principal Holder of its Basic Subscription Privilege, and a fully subscribed Offering (100% of the Offering).

		Assuming Minimum Offering <sup>(1)</sup>	Assuming 100% of the Offering
A	Amount to be raised by the Offering	C\$10,000,000 <sup>(2)</sup>	C\$13,239,475 <sup>(2)</sup>
B	Selling commissions and fees	N/A	N/A
C	Estimated Offering costs	C\$300,000	C\$300,000
D	Available funds: $D = A - (B + C)$	C\$9,700,000	C\$12,939,475
E	Working capital as at August 31, 2024 (deficiency) <sup>(3)(4)</sup>	C\$(16,800,000)	C\$(16,800,000)
F	Additional sources of funding	–	–
G	Total: $(D + E + F)$	C\$(7,100,000)	C\$(3,860,525)

Notes:

(1) Fulfilment by the Principal Holder of its Basic Commitment, to exercise its Basic Subscription Privilege to the full extent of its 75.5% pro rata holding, will achieve the minimum Offering. See "*Insider Participation – Will insiders be participating?*" and "*Use of Available Funds – How will we use the available funds?*" below.

(2) Includes the aggregate Subscription Price of \$10,000,000 payable by the Principal Holder for all 400,000,000 Common Shares purchasable, pursuant to fulfilment of its Basic Commitment, on early exercise of its Basic Subscription Privilege, a portion of which will be directed towards the settlement of the Interim Advance described below through setoff of the Interim Advance against the Subscription Price payable by the Principal Holder.

(3) Working capital as at August 31, 2024 is an unaudited estimate based on preliminary information and subject to customary financial statement procedures by the Company and its auditors.

(4) Does not include amounts owed under: (i) the First Lien Loan, being US\$5.4 million and C\$45.9 million, respectively, as at August 31, 2024, and (ii) the Second Lien Notes, being US\$7.0 million as at August 31, 2024, which amounts cease to be current liabilities of the Company as a result of the maturity date extensions contained in the First Lien Loan and Second Lien Notes amendments referred to above under "Summary of the Rights Offering – Why are you reading this Circular?".

As at August 31, 2024, PPR had an estimated working capital deficiency of C\$16,800,000, excluding amounts owed under: (i) the First Lien Loan, being US\$5.4 million and C\$45.9 million, respectively, as at August 31, 2024, and (ii) the Second Lien Notes, being US\$7.0 million as at August 31, 2024, which amounts cease to be current liabilities of the Company as a result of the maturity date extensions contained in the First Lien Loan and Second Lien Notes amendments referred to above under "Summary of the Rights Offering – Why are you reading this Circular?".

Completion of the Offering will significantly reduce, but not eliminate, our working capital deficiency. Like most Canadian oil and gas producers, the Company carries a working capital deficit in the ordinary course of its business, which is managed and financed through regular cash flow from operations. We believe that our working capital deficit on completion of the Offering will be sufficient to operate our business in the ordinary course.

#### How will we use the available funds?

Concurrently with the closing of the Principal Holder's C\$10,000,000 subscription under its Basic Commitment on the Initial Closing Date, C\$3,131,450 of the subscription proceeds from the Principal Holder will be directed towards the settlement of US\$2.3 million of indebtedness owing to the Principal Holder on the Initial Closing Date (such indebtedness, the "Interim Advance") though setoff against the Subscription Price payable by the Principal Holder.

We intend to use the net proceeds of the Offering (after settlement of the Interim Advance) primarily to fund our capital program for the balance of 2024, which contemplates the drilling of at least two additional wells in the Basal Quartz formation and workover activity on existing facilities to enhance production from current properties.

The following table sets out how we intend to use available funds raised under the Offering.

Description of intended use of available funds	Assuming Minimum Offering <sup>(1)</sup>	Assuming 100% of the Offering
Settlement of the Interim Advance (US\$2.3 million) <sup>(2)</sup>	C\$3,131,450	C\$3,131,450
Capital expenditures (two additional wells in the Basal Quartz formation and workover activity on existing facilities) and general corporate purposes	C\$6,568,550	C\$9,808,025
Total:	C\$9,700,000	C\$12,939,475

Notes:

(1) Fulfilment by the Principal Holder of its Basic Commitment, to exercise its Basic Subscription Privilege to the full extent of its 75.5% pro rata holding, will achieve the minimum Offering. See "Insider Participation – Will insiders be participating?" below.



(2) The Interim Advance will be settled through setoff against the aggregate Subscription Price of \$10,000,000 payable by the Principal Holder for all 400,000,000 Common Shares purchasable, pursuant to its Basic Commitment, on early exercise of its Basic Subscription Privilege.

The Interim Advance was incurred through an advance of funds to the Company, by way of a purchase of US\$2.3 million principal amount of Second Lien Notes in May 2024, pending agreement with the lenders under the First Lien Loan for an extension to the maturity date and requirements for new equity capital. With the First Lien Loan amendments (and corresponding Second Lien Notes amendments) now agreed, the Interim Advance effectively operates as a deposit towards the C\$10,000,000 of total new equity capital to be purchased by the Principal Holder, pursuant to fulfilment of its Basic Commitment, on early exercise of its Basic Subscription Privilege under the Offering. After giving effect to the settlement of the Interim Advance, certain affiliates of the Principal Holder will continue to hold US\$3.64 million principal amount of Second Lien Notes issued in March 2023.

We intend to spend the available funds as stated. We will reallocate funds only for sound business reasons. Apart from retiring the Interim Advance, PPR management will have discretion in the actual application of the available funds. Any use of the available funds will be in furtherance of our business and consistent with our business objectives.

Actual amounts expended in connection with each of the intended uses of available funds will depend on a number of factors, including the risk factors discussed in our annual information form for the year ended December 31, 2023 and our management's discussion and analysis for the year ended December 31, 2023 and for the three and six months ended June 30, 2024, respectively. See "*Risk Factors*" below.

As disclosed in the Interim MD&A, a material uncertainty exists in the Company's ability to continue as a going concern, due primarily to the impending maturity of the First Lien Loan. We believe that completion of the Offering, to the full extent of the Basic Commitment (C\$10,000,000), the D&O Commitments (C\$400,000) and, as applicable, the Standby Commitment (C\$1,600,000) for an aggregate Subscription Price thereunder of at least C\$12,000,000, together with the amendments to the First Lien Loan and the Second Lien Notes described above in this Circular, are sufficient to address this uncertainty.

The First Lien Loan amendments require that we raise at least C\$12,000,000 in total additional equity capital, whether under the Offering or otherwise, by October 31, 2024. If the Basic Commitment of the Principal Holder, to subscribe for C\$10,000,000 of Common Shares under the Offering (to be partially satisfied by way of setoff against the Interim Advance), is not completed by September 30, 2024, or if the Company does not raise at least C\$12,000,000 in total additional equity capital (including the Basic Commitment), whether under the Offering or otherwise, by October 31, 2024, there will be an event of default under the First Lien Loan, entitling the lenders thereunder to accelerate maturity and demand payment in full of all borrowings and other amounts payable under the First Lien Loan. PPR does not have the liquidity to repay the First Lien Loan at this time.

#### **How long will the available funds last?**

We expect that our available funds on completion of the Offering, together with ongoing cash flow from our producing oil and gas assets, will be sufficient to cover anticipated expenses for the next 12 months, and to fund planned development activities over the same period.

### **INSIDER PARTICIPATION**

#### **Will insiders be participating?**

The Principal Holder has agreed, pursuant to its Basic Commitment and in accordance with the terms and conditions of a Standby Purchase Agreement dated September 13, 2024 (the "**Purchase Agreement**"), to participate in the Offering to the full extent of its 75.5% pro rata holding, amounting to 400,000,000 Common Shares for an aggregate Subscription Price of C\$10,000,000, by fully exercising its Basic Subscription Privilege as soon as

reasonably practicable and in any event not later than the Initial Closing Date. The Principal Holder's subscription under its Basic Subscription Privilege will be closed on the Initial Closing Date, and the proceeds thereof will be released to the Company. All Common Shares issued to the Principal Holder on the Initial Closing Date will be subject to contractual restrictions on any subsequent disposition until after the final closing of the Offering.

The aggregate Subscription Price for the 400,000,000 Common Shares to be subscribed for and purchased by the Principal Holder on the Initial Closing Date is C\$10,000,000, which after giving effect to settlement of the Interim Advance will result in C\$6,868,990 of net new investment by the Principal Holder, and when taken together with the previously-funded Interim Advance represents C\$10,000,000 in total new investment in the Company. See "*Use of Available Funds – How will we use the available funds?*".

Pursuant to the D&O Commitments, directors and management of the Company have committed to subscribe for an aggregate of 16,000,000 Common Shares on exercise of their Basic Subscription Privilege and, as applicable, the Additional Subscription Privilege, for an aggregate Subscription Price of C\$400,000. Subscriptions under the D&O Commitments are required to be submitted and funded by the Initial Closing Date, but will not be closed by the Company until conclusion of the Offering.

Approximately two-thirds of the aggregate purchase commitments represented by the D&O Commitments are expected to be fulfilled through exercise of the Basic Subscription Privilege, and the balance pursuant to elections under the Additional Subscription Privilege (to the extent available). Fulfillment of elections under the Additional Subscription Privilege depends on there being Common Shares available for purchase thereunder, and the extent of such availability (if any) can only be determined after all exercises of the Basic Subscription Privilege are first fulfilled. In order for the Company to realize the full C\$400,000 of proceeds from the D&O Commitments, approximately \$140,000 worth of Common Shares, or approximately 5,600,000 Common Shares at the Subscription Price, will need to be available for purchase by directors and management under the Additional Subscription Privilege. If the Offering is fully subscribed pursuant to the Basic Subscription Privilege, then there will be no Common Shares available for purchase under the Additional Subscription Privilege, and in that event the amount raised under the D&O Commitments would be reduced to approximately C\$260,000, representing the aggregate proceeds from exercise of the Basic Subscription Privilege pursuant to the D&O Commitments.

In addition to its Basic Commitment, the Principal Holder has agreed in the Purchase Agreement to provide the Standby Commitment, to purchase a maximum of 64,000,000 additional Common Shares (at the Subscription Price), less the total number of Common Shares acquired under the Offering by holders other than the Principal Holder and directors and management under the D&O Commitments. Fulfillment of the Standby Commitment, together with fulfilment of the Basic Commitment (C\$10,000,000) and the D&O Commitments (C\$400,000), will result in the aggregate Subscription Price for all Common Shares issued in connection with the Offering being at least C\$12,000,000. See "*Standby Commitment*" below.

Insofar as the lenders under the First Lien Loan and the holders of the Second Lien Notes are or may be affiliates of the Principal Holder, which is a control person of the Company under applicable securities laws, each such lender and holder is itself a "related party" of PPR within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") and, accordingly, the amendments to the First Lien Loan and Second Lien Notes referred to above in this Circular would each constitute a "related party transaction" for PPR under MI 61-101. The amendments are, though, related party transactions of a type that are not subject to the formal valuation requirements of MI 61-101, and are exempt from the minority shareholder approval requirements of MI 61-101, pursuant to section 5.7(f) thereof, on the basis of being on reasonable commercial terms that are not less advantageous to PPR than if the loan or credit facility were obtained from a person dealing at arm's length with PPR, and not involving borrowings that are convertible, directly or indirectly, into equity or voting securities of PPR or any of its subsidiaries or otherwise participating in nature, or repayable as to principal or interest, directly or indirectly, in equity or voting securities of PPR or any of its subsidiaries. The Company will not be filing a material change report in respect of the First Lien Loan and Second Lien Notes amendments at least 21 days before

closing of the amendments, as the amendments must be made effective before September 20, 2024, when the First Lien Loan would otherwise have matured and been payable.

**Who are the holders of 10% or more of our securities before and after the Offering?**

To the knowledge of our directors and executive officers, as of the date of this Circular, the Principal Holder is the only person that holds 10% or more of the outstanding Common Shares, or who may own 10% or more of the outstanding Common Shares on completion of the Offering, as more particularly set out in the following table:

Name of Shareholder	Holdings before the Offering <sup>(1)</sup>	Holdings after the Offering <sup>(2)</sup>
PCEP Canadian Holdco, LLC	540,925,109 or 75.5%	1,004,925,109 or 84.0%, if the only Common Shares issued under the Offering are to the Principal Holder pursuant to its Basic Commitment, to directors and management pursuant to the D&O Commitments, and to the Principal Holder pursuant to the Standby Commitment (to the maximum extent thereof)  940,925,109 or 75.5%, if the Offering is fully subscribed with the only Common Shares issued to the Principal Holder being pursuant to its Basic Commitment

*Notes:*

- (1) Based on 716,155,736 Common Shares outstanding on the date of this Circular.
- (2) Based on there being: (i) if the only Common Shares issued under the Offering are to the Principal Holder pursuant to its Basic Commitment, to directors and management pursuant to the D&O Commitments, and to the Principal Holder pursuant to the maximum extent of Standby Commitment, 1,196,105,903 Common Shares outstanding on closing (716,155,736 Common Shares outstanding on the date hereof plus 400,000,000 Common Shares issued to the Principal Holder pursuant to its Basic Commitment, 16,000,000 Common Shares issued to directors and management pursuant to the D&O Commitments and 64,000,000 Common Shares issued to the Principal Holder pursuant to the maximum extent of Standby Commitment; or (ii) if the Offering is fully subscribed, 1,245,647,503 Common Shares outstanding on closing (716,155,736 Common Shares outstanding on the date hereof plus 400,000,000 Common Shares issued to the Principal Holder pursuant to its Basic Commitment and 129,541,600 Common Shares issued to others under the Offering, including directors and management to the extent of their respective Basic Subscription Privilege entitlements).

**DILUTION**

**If you do not exercise your Rights, by how much will your security holdings be diluted?**

If you wish to maintain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Common Shares you are entitled to subscribe for under the Basic Subscription Privilege. If you do not exercise your Rights, or elect to sell or transfer your Rights, the value of the Common Shares currently held by you will be diluted as a result of the exercise of Rights by others.

Assuming issuance of the maximum number of Common Shares under the Offering (529,579,000 Common Shares), and that you do not exercise any Rights and so do not acquire any Common Shares pursuant to the Offering, then your shareholdings will be diluted by approximately 42.5%.

**STANDBY COMMITMENT**

**Who is the standby guarantor and what are the fees?**

In addition to its Basic Commitment, the Principal Holder has agreed in the Purchase Agreement to provide the Standby Commitment, to purchase a maximum of 64,000,000 additional Common Shares (at the Subscription

Price), less the total number of Common Shares acquired under the Offering by holders other than the Principal Holder and directors and management under the D&O Commitments. Fulfillment of the Standby Commitment, together with fulfillment of the Basic Commitment (C\$10,000,000) and the D&O Commitments (C\$400,000), will result in the aggregate Subscription Price for all Common Shares issued in connection with the Offering being at least C\$12,000,000.

The Standby Commitment is intended to ensure that the total amount of new equity capital raised under the Offering is not less than the C\$12,000,000 minimum equity amount required by the First Lien Loan amendments described above under "*Summary of the Rights Offering – Why are you reading this Circular?*" above.

See "*Insider Participation – Will insiders be participating?*" and "*Use of Available Funds – How will we use the available funds?*" above.

No fee is payable to the Principal Holder in connection with the Basic Commitment or the Standby Commitment.

The Standby Commitment is conditional upon, among other things, fulfillment of the D&O Commitments by directors and management.

**Have we confirmed that the standby guarantor has the financial ability to carry out its standby commitment?**

The Principal Holder has satisfied the Company that it has the financial ability to carry out the Standby Commitment.

**What are the security holdings of the standby guarantor before and after the Offering?**

For information on the Principal Holder's shareholdings before and after the Offering, including if the Principal Holder acquires Common Shares pursuant to the Basic Commitment and to the maximum extent of the Standby Commitment, with the only subscriptions by others under the Offering being the D&O Commitments, see "*Insider Participation – Who are the holders of 10% or more of our securities before and after the Offering?*" above.

**MANAGING OR SOLICITING DEALER**

The Company has not retained any managing dealer, soliciting dealer or other party to solicit subscriptions for Common Shares pursuant to the Offering.

**HOW TO EXERCISE THE RIGHTS**

**How does a shareholder that is a Registered Holder participate in the Offering?**

If you hold your Common Shares directly in your own name and such name is recorded on the Company's share register, you are a "**Registered Holder**". In order to exercise the Rights represented by the Rights DRS Advice, the holder of Rights must complete and deliver the Subscription Form to the Subscription Agent in the manner set out below under the heading "*How to Complete the Rights Subscription Form*".

All exercises of Rights are irrevocable once submitted. If you wish to participate in this Offering, you must take the following steps, unless you hold your Common Shares indirectly through a broker, bank or other nominee:

- deliver payment to the Subscription Agent using the methods outlined under the heading "*Payment Methods*" below; and

- deliver a properly executed Subscription Form to the Subscription Agent at or before 5:00 p.m. (Mountain time) on the Expiry Date, as set out under the heading "*How to Complete the Rights Subscription Form*" below.

If you wish to be an Early Exercising Holder so as to have the Company close your subscription under the Basic Subscription Privilege on the Initial Closing Date, you must deliver payment and your properly executed Subscription Form to the Subscription Agent not later than 5:00 p.m. (Mountain time) on September 27, 2024, being the last business day before the Initial Closing Date, and elect in your Subscription Form to have your purchase of Common Shares arising therefrom completed on the Initial Closing Date.

If you send payment that is insufficient to purchase the number of Common Shares you are subscribing for, or if the number of Common Shares you are subscribing for is not specified in the Subscription Form, the payment received will be applied to exercise your Basic Subscription Privilege. Unless you have specified a number of additional Common Shares that you wish to purchase under the Additional Subscription Privilege, any payment in excess of that required to fully exercise your Basic Subscription Privilege will be refunded. If the payment exceeds the Subscription Price for the full exercise of your Basic Subscription Privilege and any Additional Subscription Privilege (to the extent specified by you), the excess will be refunded. You will not receive interest on any payments refunded to you under the Offering.

#### *Payment Methods*

Your payment of the Subscription Price must be made in Canadian dollars for the full number of Common Shares for which you are subscribing, by certified cheque, bank draft or money order payable to the Subscription Agent. The Subscription Agent will accept payment only by certified cheque, bank draft or money order payable to the Subscription Agent.

Your payment will be considered received by the Subscription Agent only upon receipt by the Subscription Agent of any certified cheque, bank draft or money order payable to the Subscription Agent. You should deliver your Subscription Form and payment of the Subscription Price to the Subscription Agent by one of the methods described below:

#### ***By Hand, Mail or Courier:***

*Alliance Trust Company  
#1010, 407 - 2nd Street S.W.  
Calgary, Alberta T2P 2Y3  
Attention: Securities Department*

Your delivery to an address or by any method other than as set forth above will not constitute valid delivery.

#### *How to Complete the Rights Subscription Form*

**Please use the Subscription Form to participate in the Offering by fully completing each box (as applicable), attaching your payment of the Subscription Price, and returning the Subscription Form and payment to the Subscription Agent prior to the Expiry Time on the Expiry Date. Your Rights balance is stated on the Rights DRS Advice.**

#### **Subscription Instructions**

**Basic Subscription Privilege:** A holder or transferee of the Rights DRS Advice wishing to subscribe for Common Shares must complete Box 1 on the Subscription Form and deliver the Subscription Form together with

payment in full of the Subscription Price to the Subscription Agent at its office shown above prior to the Expiry Time on the Expiry Date.

Completion of Box 1 constitutes a representation by the holder that: (A) such holder is not an Ineligible Holder (defined and described below) or (B) if such holder is an Ineligible Holder (i) it has advised the Company of this fact in writing and, (ii) that such offering to and subscription by such holder is lawful and in compliance with all applicable securities and other laws where such holder is resident.

Additional Subscription Privilege: To subscribe for additional Common Shares, holders must complete Box 2 on the Subscription Form. **Shareholders can only submit a request for additional Common Shares if all available Common Shares under the Basic Subscription Privilege (outlined above) have been subscribed for.** Under the Additional Subscription Privilege, holders of Rights (in aggregate) may subscribe for any amount of additional Common Shares, up to 529,579,000 Common Shares (being the maximum number of Common Shares issuable under the Offering) *minus* the number of Common Shares subscribed for pursuant to their Basic Subscription Privilege. Payment for additional Common Shares should be combined with the payment for the Basic Subscription Privilege on one certified cheque, bank draft or money order made payable to Alliance Trust Company. A refund cheque will be issued for any additional Common Shares requested and not issued.

### **To Sell, Transfer, Divide or Combine Rights**

**To sell or transfer your Rights, please see the instructions provided with the Rights DRS Advice. Note that the Rights expire at the Expiry Time on the Expiry Date. If you plan on selling or transferring your Rights, ensure to provide ample time for intermediary processing.**

To divide or combine your Rights, please send your Rights DRS Advice together with a letter of instruction detailing the combination or division of Rights and mail to Alliance Trust Company at the address of the Subscription Agent listed above. If you are dividing or combining your Rights, the registered name must remain the same. If you want to change the registered name of the Rights, refer to the transfer instructions contained in the Rights DRS Advice. Note that the Rights expire at the Expiry Time on the Expiry Date. If you plan on dividing or combining your Rights, ensure you provide ample time for intermediary processing.

Deliver or mail the completed Subscription Form and the applicable payment in the enclosed return envelope addressed to the Subscription Agent to be received by the Subscription Agent listed above before the Expiry Time on the Expiry Date. If mailing, registered mail is recommended. Please allow sufficient time to avoid late delivery. The signature of the Rights holder must correspond in every particular with the name that appears on the face of the Rights DRS Advice.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Subscription Agent. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription will be determined by the Company in its sole discretion, and any determination by the Company will be final and binding on the Company and its shareholders. The Company reserves the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of Common Shares pursuant thereto could be unlawful. The Company also reserves the right to waive any defect in respect of any particular subscription. Neither the Company nor the Subscription Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will they be liable for the failure to give any such notice. **Any holder of Rights that fails to complete their subscription in accordance with the foregoing instructions prior to the expiration of the Offering will forfeit their Rights under the Basic Subscription Privilege and the Additional Subscription Privilege attaching to those Rights.**

### **How does a shareholder that is not a Registered Holder participate in the Offering?**

If you hold your Common Shares indirectly in the name of a securities broker or dealer, bank or trust company or other participant (a "**Participant**") in the book-based system administered by CDS Clearing and Depository Services Inc. ("**CDS**") or in the book-based system administered by The Depository Trust Company ("**DTC**"), then your broker, bank, or other nominee is the Registered Holder of the Common Shares you own. As a beneficial owner, you should instruct the Registered Holder to exercise your Rights on your behalf and deliver all required documents and payment before expiration of the Offering. The Registered Holder must exercise the Rights on your behalf for the Common Shares you wish to purchase. You should contact the Registered Holder of the Rights as soon as possible as they may establish an earlier deadline for receiving subscription instructions.

If you wish to participate in this Offering and purchase Common Shares, please promptly contact the Registered Holder of your Common Shares. You should contact the Registered Holder for instructions to participate in the Offering.

### **Who is eligible to receive Rights?**

The Rights are offered only to holders of our Common Shares of record as of the close of business on the Record Date that are resident in the provinces and territories of Canada (the "**Eligible Jurisdictions**"). Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to our satisfaction. This Circular is not to be construed as an offering of the Rights, or the Common Shares issuable upon exercise of the Rights, for sale in any jurisdiction outside the Eligible Jurisdictions, including the United States, or to persons that are resident in any jurisdiction other than the Eligible Jurisdictions ("**Ineligible Holders**"). An Ineligible Holder that establishes to the Company's satisfaction, in its sole discretion, not later than October 16, 2024, that an offering to such holder of, and subscription by such holder for, Rights and Common Shares is lawful and in compliance with all securities and other laws applicable in the Eligible Jurisdictions and in the jurisdiction where such Ineligible Holder is resident, and would not require that the Company file any document, take any proceeding, make any application, obtain any approval, give any notice or make any payment, in each case of any kind or nature whatsoever, including by delivering a representation letter in the form presented by the Company (an "**Approved Holder**"), may receive Rights and have its Rights DRS Advice issued and forwarded by the Subscription Agent on our direction.

No Rights or Common Shares issuable upon exercise thereof are offered for sale, and no offers to purchase securities are solicited, in any jurisdiction that is not an Eligible Jurisdiction, or to or from Ineligible Holders.

Ineligible Holders will not receive a Rights DRS Advice and Subscription Form, but will be sent a letter advising (i) that their Rights will be held by the Subscription Agent, as agent for the benefit of all such Ineligible Holders, and (ii) how Ineligible Holders may, not later than October 16, 2024, establish their ability to participate in the Offering and exercise Rights to subscribe for Common Shares as an Approved Holder, failing which the Subscription Agent will, after October 16, 2024 and before the Expiry Date, attempt to sell the Rights allocable to Ineligible Holders on such date or dates and at such price or prices as the Subscription Agent shall determine in its sole discretion.

No charge will be made for the sale of Rights by the Subscription Agent except for a proportionate share of any brokerage commissions incurred by the Subscription Agent and the costs of or incurred by the Subscription Agent in connection with the sale of the Rights. Ineligible Holders will not be entitled to instruct the Subscription Agent in respect of the price or the time at which the Rights are to be sold. The Subscription Agent will use reasonable efforts to effect sales of Rights on the open market and any proceeds received by the Subscription Agent with respect to the sale of Rights net of brokerage fees and costs incurred and, if applicable, the Canadian tax required to be withheld, will be divided on a pro rata basis among such registered Ineligible Holders and delivered by mailing cheques in Canadian funds as soon as practicable to such registered Ineligible Holders at their addresses recorded on the Company's books. Amounts of less than \$25.00 will not be remitted. The Subscription Agent will act in its capacity

as agent of the registered Ineligible Holders on a reasonable efforts basis only, and we and the Subscription Agent do not accept responsibility for the price obtained on the sale of, or the inability to sell, the Rights on behalf of any Ineligible Holder. Neither we nor the Subscription Agent will be subject to any liability for the failure to sell any Rights of Ineligible Holders or as a result of the sale of any Rights at a particular price or on a particular day. There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Subscription Agent in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.

Holders of Rights should be aware that the acquisition and disposition of Rights or Common Shares may have tax consequences in Canada as well as the jurisdiction where they reside, which are not described herein. Accordingly, holders should consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Rights or Common Shares having regard to their particular circumstances.

### **What is the Additional Subscription Privilege and how can you exercise this privilege?**

If you fully exercise your Basic Subscription Privilege (other than those Rights to acquire less than one whole Common Share, which cannot be exercised) and other shareholders do not fully exercise their Basic Subscription Privileges, you may also exercise an Additional Subscription Privilege to purchase additional Common Shares not issued under the Basic Subscription Privilege, subject to the availability and pro rata allocation of Common Shares among shareholders exercising this Additional Subscription Privilege.

To the extent the number of Common Shares not issued under the Basic Subscription Privilege is not sufficient to satisfy all of the properly exercised Additional Subscription Privilege requests, then the available Common Shares will be prorated among those who properly exercised their Additional Subscription Privilege based on the number of Common Shares that such Rights holder subscribed for under the Basic Subscription Privilege compared to the total number of Common Shares subscribed for under the Basic Subscription Privilege by the holders properly exercising the Additional Subscription Privilege. If this pro rata allocation results in any shareholder receiving a greater number of Common Shares than the shareholder subscribed for pursuant to the exercise of the Additional Subscription Privilege, then such shareholder will be allocated only that number of Common Shares for which the shareholder subscribed for pursuant to the exercise of the Additional Subscription Privilege, and the remaining Common Shares will be allocated among all other shareholders exercising the Additional Subscription Privilege on the same pro rata basis described above. The proration process will be repeated until all Common Shares have been allocated or all Additional Subscription Privilege exercises have been fulfilled, whichever occurs earlier. You may only request additional Common Shares pursuant to the Additional Subscription Privilege once, as you will not be able to participate in multiple rounds of the Additional Subscription Privilege as the number of subscribers under the Additional Subscription Privilege becomes known. Accordingly, you should request the maximum number of Common Shares you wish to subscribe for when you complete and deliver the Subscription Form. See "*How to Exercise the Rights*".

Shareholders who wish to maximize their allocation in the Offering should exercise their Basic Subscription Privilege in full and exercise their Additional Subscription Privilege for the maximum amount of Common Shares they are willing to purchase, up to the maximum number of Common Shares that may be issued in the Offering. However, to the extent the number of Common Shares not issued under the Basic Subscription Privilege is not sufficient to satisfy all of the properly exercised Additional Subscription Privilege requests, then the available Common Shares will be prorated in accordance with the proration process described above.

If you wish to retain your current percentage ownership of the Common Shares, you should exercise your Rights and pay the Subscription Price for the Common Shares to which you are entitled to subscribe for under the Basic Subscription Privilege. If you do not exercise your Rights or elect to sell or transfer your Rights, the value of the Common Shares currently held by you will be diluted as a result of the exercise of Rights by others.



### **How does a Rights holder sell or transfer Rights?**

The Rights will be transferable during the course of the Offering. We expect the Rights will trade on the TSX under the symbol "PPR.RT", beginning on September 24, 2024, until 12:00 p.m. (Eastern time) on the Expiry Date. As a result, you may transfer or sell your Rights during the course of the subscription period if you do not want to purchase any Common Shares. The Rights are a new issue of securities, however, and do not have an established trading market. We cannot give you any assurance that a market for the Rights will develop or, if a market does develop, as to how long it will continue or at what prices the Rights will trade. Therefore, we cannot assure you that you will be able to sell any of your Rights or as to the value you may receive in a sale. The Subscription Agent will only facilitate subdivisions or transfers of the Rights until 5:00 p.m. (Mountain time) on October 23, 2024, three business days prior to the Expiry Date.

### **When can you trade securities issuable upon the exercise of your Rights?**

The outstanding Common Shares are, and any Common Shares issued under the Offering will be, listed on the TSX under the symbol "PPR". We expect that the Rights will be listed on the TSX under the symbol "PPR.RT" and available for trading on September 24, 2024.

### **Are there restrictions on the resale of Rights?**

#### *Canada*

The Rights being issued hereunder and the Common Shares issuable upon the exercise of the Rights (collectively, the "**Offered Securities**") are being distributed by the Company in Canada pursuant to exemptions from the prospectus requirements under Canadian securities laws. Resale of the Offered Securities may be subject to restrictions pursuant to applicable securities legislation then in force. Set out below is a general summary of the restrictions governing first trades in the Offered Securities in Canada. Additional restrictions may apply to "insiders" of the Company and holders of the Common Shares who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "control block" in respect of the Company for purposes of Canadian securities legislation. Each holder of Rights is urged to consult with his or her professional advisors to determine the exact conditions and restrictions applicable to trades of the Offered Securities.

Generally, the first trade of any of the Offered Securities will be exempt from the prospectus requirements under Canadian securities legislation and such Offered Securities may be resold without hold period restrictions if: (i) the Company is and has been a "reporting issuer" in a jurisdiction of Canada for the four months immediately preceding the trade; (ii) the trade is not a "control distribution" as defined in applicable securities legislation; (iii) no unusual effort is made to prepare the market or to create a demand for the Offered Securities; (iv) no extraordinary commission or other consideration is paid in respect of such trade; and (v) if the seller is an insider or officer of the Company, the seller has no reasonable grounds to believe that the Company is in default of applicable securities legislation.

If such conditions have not been met, then the Offered Securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances. As at the date of this Circular, the Company has been a reporting issuer for more than four months in each of the provinces of Canada.

#### *United States*

The Offered Securities have not been and will not be registered under the U.S Securities Act or the securities laws of any state of the United States. Accordingly, the Rights and Common Shares issuable upon exercise thereof may not be offered, sold, pledged or transferred, directly or indirectly, in the United States or to, or for the account or

benefit of, any U.S. person, absent an exception from the United States federal and state registration requirements. "United States" and "U.S. person" are as defined in Regulation S under the U.S Securities Act.

**Will we issue fractional underlying securities upon exercise of the Rights?**

No. The Basic Subscription Privilege of each Right will entitle you to purchase 0.739474 of a Common Share at the Subscription Price of C\$0.025 per whole Common Share, exercisable for whole Common Shares only. You may not exercise your Rights to acquire less than one whole Common Share. As a result, 1.352313 Rights and payment of C\$0.025 is required to purchase one whole Common Share.

Where any exercise of Rights would otherwise entitle a holder of Rights to receive fractional Common Shares, the holder's entitlement will be reduced and rounded down to the next lowest whole number of Common Shares, and the fraction shall be cancelled without any repayment of capital or other consideration therefor.

**APPOINTMENT OF SUBSCRIPTION AGENT**

**Who is the Subscription Agent?**

Alliance Trust Company is the Subscription Agent for the Offering. The Subscription Agent has been appointed to receive subscriptions and payments from holders of Rights and to perform services relating to the exercise and transfer of Rights.

The subscription office of the Subscription Agent is located at:

***By Mail or Courier:***

*Alliance Trust Company  
#1010, 407 - 2nd Street S.W.  
Calgary, Alberta T2P 2Y3  
Attention: Securities Department*

**What happens if we do not raise the minimum offering amount or if we do not receive funds from the standby guarantor?**

The Offering is subject to a minimum subscription level of 400,000,000 Common Shares, representing approximately 75.5% of the total number of Common Shares available for purchase under the Offering, for an aggregate Subscription Price of C\$10,000,000, which is to be achieved through the full exercise by the Principal Holder, our principal shareholder, of its Basic Subscription Privilege pursuant to its Basic Commitment. See "*Insider Participation – Will insiders be participating?*" and "*Use of Available Funds – How will we use the available funds?*".

If the Company terminates the Offering, the Subscription Agent will return all funds held by it to holders of Rights that have already subscribed for Common Shares under the Offering, without interest or deduction. The Offering will not be terminated following completion, on the Initial Closing Date, of the issue and sale of Common Shares to the Principal Holder on full exercise of its Basic Subscription Privilege and to any other Early Exercising Holders.

## **RISK FACTORS**

An investment in our securities involves risks. Before you invest in our securities, you should carefully consider the risk factors set out under the heading "Risk Factors" in our annual information form for the year ended December 31, 2023 and our management's discussion and analysis for the year ended December 31, 2023 and for the three and six months ended June 30, 2024, respectively, and set out in our material change report filed in respect of the Offering, as filed with Canadian securities regulators on SEDAR+ and available under our issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## **ADDITIONAL INFORMATION**

### **Where can you find more information about us?**

You can access our continuous disclosure documents filed with Canadian securities regulators on SEDAR+ under our issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca). You can also find additional information about us on our website at [www.ppr.ca](http://www.ppr.ca).

## **MATERIAL FACTS AND MATERIAL CHANGES**

**There is no material fact or material change about the Company that has not been generally disclosed.**

## **FORWARD LOOKING STATEMENTS**

This Circular contains forward-looking information within the meaning of applicable securities legislation, which reflects the Company's current expectations regarding future events, including statements about the Offering and the timing thereof, the gross proceeds of the Offering, listing of the Rights, and the expected use of proceeds. In some cases, forward-looking information can be identified by such terms as "will", "anticipate" and "expect". Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking information. The Company's estimates, beliefs and assumptions, which may prove to be incorrect, include those relating to the Company's ability to complete the Offering or its use of proceeds from the Offering. The risks and uncertainties that may affect forward-looking information include, but are not limited to, market conditions, business and financial results, and other factors discussed in our continuous disclosure documents referred to under "*Risk Factors*" above. The Company does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. Forward-looking information in this Circular speaks only as of the date of this Circular.