



Prairie Provident Announces Closing of Final Tranche of Equity Financing and Basal Quartz Operational Update

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CALGARY, Alberta, March 05, 2025 -- Prairie Provident Resources Inc. ("**Prairie Provident**" or the "**Company**") (TSX:PPR) is pleased to announce the closing of the second and final tranche of its previously announced equity financing, for additional gross proceeds of \$3.87 million. Together with the \$4.8 million of gross proceeds from the first tranche closing completed on February 19, 2025, the Company raised \$8.67 million in aggregate gross proceeds from the financing, through the issuance of, in aggregate:

- (i) 86,267,672 units ("**Units**") at a price of \$0.0425 per Unit, for gross proceeds of \$3,666,376, in an offering made pursuant to the 'listed issuer financing exemption' (LIFE) under applicable Canadian securities laws (the "**LIFE Offering**"), with each Unit consisting of one common share ("**Common Share**") and one Common Share purchase warrant ("**Warrant**"), and each Warrant exercisable for one Common Share at price of \$0.05 per share until March 5, 2028; and
- (ii) 117,647,059 Common Shares at a price of \$0.0425 per Common Share, for gross proceeds of \$5,000,000, in a private placement pursuant to exemptions from the prospectus requirements of applicable Canadian securities laws (the "**Private Placement**" and, together with the LIFE Offering, the "**Offerings**").

The Offerings were led by Research Capital Corporation as the lead agent and sole bookrunner, on behalf of a syndicate of agents including Haywood Securities Inc. (collectively, the "**Agents**").

Prairie Provident intends to use the net proceeds from the Offerings to drill two additional Basal Quartz horizontal wells in the first quarter of 2025 and for working capital and general corporate purposes, including expenses related to the Offerings.

The Common Shares issued under the Private Placement are subject to a restricted 4-month hold period under applicable Canadian securities laws, and cannot be traded before July 6, 2025 unless otherwise permitted under securities legislation. The Common Shares and Warrants comprising the Units sold under the LIFE Offering are not subject to the same hold period restriction.

In connection with the Offerings, the Company paid to the Agents total cash compensation of \$180,247 and issued to the Agents a total of 2,508,704 non-transferable broker warrants (the "**Broker Warrants**"). Each Broker Warrant entitles the holder thereof to acquire one Unit at a price of \$0.0425 per Unit until March 5, 2028.

Insider Participation

The Company's principal shareholder, PCEP Canadian Holdco, LLC ("**PCEP**"), and certain directors and officers of the Company, participated in the Offerings for a final aggregate investment of \$7.32 million after converting USD-denominated commitments to Canadian dollars, of which \$5.0 million was completed under the Private Placement (acquiring 117,647,029 Common Shares in total, for 100% of the Private Placement) and \$2.32 million was completed under the LIFE Offering (acquiring 54,508,872 million Units in total, for 63.2% of the LIFE Offering) (collectively, the "**Insider Participation**").

Basal Quartz Operational Update

The Company is pleased to announce rig release at the Basal Quartz horizontal well 100/14-32-29-18W4M on March 3, 2025. The drilling rig was moved to the Basal Quartz horizontal well 102/13-32-29-18W4M which was spud on March 4, 2025. Completion operations for both wells are expected to commence in the next two weeks.

Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions

The Insider Participation constitutes 'related party transactions' for the Company within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), which are exempt from the formal valuation and minority approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(a) thereof on the basis that neither the fair market value of the subject matter of the transactions, nor the fair market value of the consideration for the transactions, insofar as they involve interested parties, exceeds 25% of the Company's market capitalization as calculated for purposes of MI 61-101. Prairie Provident did not file a material change report 21 days before completion of the initial closing under the Offering completed on February 19, 2025, which was less than 21 days from commencement and it was commercially impracticable to delay the process.

This news release does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, any securities in the United States or to or for the account or benefit of U.S. persons or persons in the United States, or in any

other jurisdiction in which, or to or for the account or benefit of any other person to whom, any such offer, solicitation or sale would be unlawful. These securities 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, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons or persons in the United States except in compliance with, or pursuant to an available exemption from, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. "United States" and "U.S. person" have the meanings ascribed to them in Regulation S under the U.S. Securities Act.

ABOUT PRAIRIE PROVIDENT

Prairie Provident is a Calgary-based company engaged in the exploration and development of oil and natural gas properties in Alberta, including a position in the emerging Basal Quartz trend in the Michichi area of Central Alberta.

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Forward-Looking Information

This news release contains certain statements ("forward-looking statements") that constitute forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements relate to future performance, events or circumstances, are based upon internal assumptions, plans, intentions, expectations and beliefs, and are subject to risks and uncertainties that may cause actual results or events to differ materially from those indicated or suggested therein. All statements other than statements of current or historical fact constitute forward-looking statements. Forward-looking statements are typically, but not always, identified by words such as "anticipate", "believe", "expect", "intend", "plan", "budget", "forecast", "target", "estimate", "propose", "potential", "project", "seek", "continue", "may", "will", "should" or similar words suggesting future outcomes or events or statements regarding an outlook.

Without limiting the foregoing, this news release contains forward-looking statements pertaining to: the intended use of proceeds from the Offerings; the intended number of Basal Quartz wells that are anticipated to be drilled by the Company in the first quarter of 2025 and the intended timing of drilling and completion of the Basal Quartz wells.

Forward-looking statements are based on a number of material factors, expectations or assumptions of Prairie Provident which have been used to develop such statements, but which may prove to be incorrect. Although the Company believes that the expectations and assumptions reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements, which are inherently uncertain and depend upon the accuracy of such expectations and assumptions. Prairie Provident can give no assurance that the forward-looking statements contained herein will prove to be correct or that the expectations and assumptions upon which they are based will occur or be realized. Actual results or events will differ, and the differences may be material and adverse to the Company. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: results from drilling and development activities; consistency with past operations; the quality of the reservoirs in which Prairie Provident operates and continued performance from existing wells (including with respect to production profile, decline rate and product type mix); the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Prairie Provident's reserves volumes; future commodity prices; future operating and other costs; future USD/CAD exchange rates; future interest rates; continued availability of external financing and internally generated cash flow to fund Prairie Provident's current and future plans and expenditures, with external financing on acceptable terms; the impact of competition; the general stability of the economic and political environment in which Prairie Provident operates; the general continuance of current industry conditions; the timely receipt of any required regulatory approvals; the ability of Prairie Provident to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Prairie Provident has an interest in to operate the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Prairie Provident to secure adequate product transportation; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Prairie Provident operates; and the ability of Prairie Provident to successfully market its oil and natural gas production.

The forward-looking statements included in this news release are not guarantees of future performance or promises of future outcomes and should not be relied upon. Such statements, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: reduced access to external debt financing; higher interest costs or other restrictive terms of debt financing; changes in realized commodity prices; changes in the demand for or supply of Prairie Provident's products; the early stage of development of some of the evaluated areas and zones; the potential for variation in the quality of the geologic formations targeted by Prairie Provident's operations; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; the imposition of any tariffs or other restrictive trade measures or countermeasures affecting trade between Canada and the United States; changes in development plans of Prairie Provident or by third party operators; increased debt levels or debt service requirements; inaccurate estimation of Prairie Provident's oil and reserves volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and such other risks as may be detailed from time-to-time in Prairie Provident's public disclosure documents (including, without limitation, those risks

identified in this news release and Prairie Provident's current Annual Information Form dated April 1, 2024 as filed with Canadian securities regulators and available from the SEDAR+ website (www.sedarplus.ca) under Prairie Provident's issuer profile).

The forward-looking statements contained in this news release speak only as of the date of this news release, and Prairie Provident assumes no obligation to publicly update or revise them to reflect new events or circumstances, or otherwise, except as may be required pursuant to applicable laws. All forward-looking statements contained in this news release are expressly qualified by this cautionary statement.