

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item One – Name and Address of Company**

Horizon Petroleum Ltd. (the “**Company**”)  
920, 540 - 5th Avenue SW  
Calgary, Alberta  
T2P 0M2

**Item Two – Date of Material Change**

February 1, 2023

**Item Three – News Release**

The news release reporting the material change described in this report was issued in Calgary, Alberta on February 2, 2023 through the newswire services of Cision and was filed via SEDAR (the “**News Release**”). The News Release is attached hereto as Schedule “A” and incorporated by reference herein.

**Item Four – Summary of Material Change**

The Company closed the first tranche private placement of Units announced on January 12, 2023, (“**Private Placement**”).

The Company issued 7,850,000 Units at a price of CAD\$0.08, for gross proceeds of CAD\$628,000. The Units comprised: (i) one common share in the capital of the Company (“**Common Share**”), and (ii) one transferable share purchase warrant entitling the holder thereof to acquire one Common Share at a price of CAD\$0.16 (“**Warrant**”) per share (collectively the “**Warrants**”). The rights under the Warrants will last for a period of 12 months following the closing date.

**Item Five – Full Description of Material Change**

For a full description of the material change, please see the News Release attached hereto as Schedule “A” which News Release forms an integral part of this material change report.

**Item Six – Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item Seven – Omitted Information**

Not Applicable.

**Item Eight – Executive Officer**

David Winter, Chief Executive Officer, 403.619.2957

**Item Nine – Date of Report**

February 3, 2023

## SCHEDULE "A"

*Not for distribution to U.S. Newswire Services or for dissemination in the United States of America. Any failure to comply with this restriction may constitute a violation of U.S. Securities laws.*

### **Horizon Petroleum Ltd. Closes Private Placement**

February 2, 2023 – Calgary, Alberta – Horizon Petroleum Ltd. (“**Horizon**” or the “**Company**”) (TSX VENTURE: HPL.H) is pleased to announce that the first tranche private placement of Units announced on January 12, 2023, (“**Private Placement**”) has now closed.

The Company issued 7,850,000 Units at a price of CAD\$0.08, for gross proceeds of CAD\$628,000. The Units comprised: (i) one common share in the capital of the Company (“**Common Share**”), and (ii) one transferable share purchase warrant entitling the holder thereof to acquire one Common Share at a price of CAD\$0.16 (“**Warrant**”) per share (collectively the “**Warrants**”). The rights under the Warrants will last for a period of 12 months following the closing date.

The Private Placement remains subject to TSX Venture Exchange final acceptance.

Horizon paid a finder’s fees of \$2,000 cash to Research Capital Corporation and 341,250 convertible securities to Five Talents Investments Llc. The convertible securities allow the holder to acquire Units at a price of \$0.08 for a period of 12 months.

The proposed use of proceeds of the Private Placement are for a loan to the target company of \$250,000 and for transaction costs and for working capital purposes. Particulars of the transaction are contained in the news release dated January 12, 2023.

### **Insider Participation**

Insider (and entities controlled by insiders) participated in the placement for a total of approximately CAD\$149,000. A portion of the Private Placement constituted a related party transaction within the meaning of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 (“MI 61-101”) as certain insiders of the Company subscribed for an aggregate of 1,862,500 Units pursuant to the Private Placement. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(b) and 5.7(1)(a) of MI 61- 101, as the fair market value of the participation in the Private Placement by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Private Placement, which the Company deems reasonable in the circumstances in order to complete the Private Placement in an expeditious manner.

All securities issued in connection with the Private Placement will not be able to be traded in Canada, or through the facilities of the TSX Venture Exchange, for a period of four months and one day from the date of closing.

We expect to close on the second tranche of the private placement, 3,400,000 Units for gross proceeds of \$272,000, shortly.

***Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.***

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Horizon should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

*Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward looking-statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and uncertainties is contained in the Company's filings with the Canadian securities regulators, which filings are available at [www.sedar.com](http://www.sedar.com).*

*The TSX-V has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.*

*Neither the TSX-V nor its Regulation Services Provider (as that term is defined in policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.*

For further information please contact:

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