



**ANNUAL INFORMATION FORM**

(Expressed in Canadian Dollars)

For the year ended December 31, 2020

Dated June 30, 2021

**Trading symbols:**  
TSX VENTURE: JEV  
OTC PINK: JROOF  
Frankfurt: JLMO

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## SELECTED DEFINITIONS

In this Annual Information Form, the following words and phrases have the following meanings, unless the context otherwise requires:

"**AIF**" means this Annual Information Form;

"**BCBCA**" means Business Corporations Act (British Columbia);

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation as constituted from time to time;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary chapter), as amended from time to time;

"**Common Shares**" or "**Jericho Shares**" means the common shares in the capital of the Corporation;

"**Company**" or "**Corporation**" or "**Jericho**" or "**JEV**" means Jericho Energy Ventures Inc. (formerly, Jericho Oil Corporation) and its subsidiaries;

"**Exchange**" or "**TSX-V**" means the TSX Venture Exchange;

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*;

"**Options**" means incentive stock options granted pursuant to the Corporation's stock option plan;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval accessible at [www.sedar.com](http://www.sedar.com).

Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars. All financial information herein has been presented in Canadian dollars.

**Information has been incorporated by reference in this AIF from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporation at Suite 2100, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3P3. These documents are also available through the internet through Jericho's profile on SEDAR which can be accessed at [www.sedar.com](http://www.sedar.com).**

## RESERVES DEFINITIONS

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

**"Crude oil"** or **"oil"** as described in the COGE Handbook means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas.

**"Developed producing"** reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

**"Developed non-producing"** reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

**"Gross"** means:

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

**"Natural gas liquids" or "NGLs"** means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus and condensates.

**"Natural gas"** means a naturally occurring mixture of hydrocarbon gases and other gases.

**"Net"** means:

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

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

**"Probable"** reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

"**Undeveloped**" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

## THE CORPORATION

### General

Jericho's legacy business is an independent crude oil and natural gas company engaged in the exploration, development, and production of crude oil and natural gas. Consistent with the Company's name change in March 2021, Jericho began expanding its energy portfolio and will focus on advancing the global low-carbon energy transition with investments in hydrogen technologies, energy storage, carbon capture and new energy systems. Jericho will continue to manage and operate its legacy energy assets. See "*Description of the Business*".

Jericho's full corporate name is "Jericho Energy Ventures Inc.". Jericho is governed by the BCBCA. Its head office is located at Suite 2100, 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3 and its registered and records office is located at Suite 409 – 221 West Esplanade, North Vancouver, British Columbia V7M 3J3.

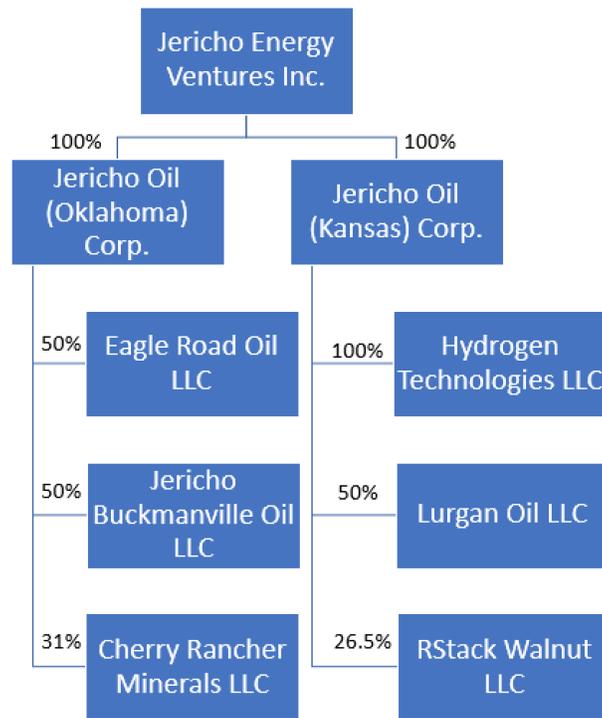
The Company currently has two satellite offices in the United States: (i) in Newtown, PA, USA (Regional Office), which houses administration, sales, marketing, and support; and (ii) in Tulsa, Oklahoma, USA (Regional Office) (the "Tulsa Facility"). The Tulsa facility is responsible for operations of the Company's legacy upstream energy assets including operations, engineering, administration, and accounting.

The Company was incorporated under the BCBCA on October 21, 2010 and was listed on the TSX-V after completion of its initial public offering on May 29, 2012. The Company's name was changed from "Dakar Resource Corp." to "Jericho Oil Corporation" in 2014, and to "Jericho Energy Ventures Inc." in March 2021. The Company trades on the TSX Venture Exchange under the symbol "JEV", and is quoted on the United States OTC exchange under the symbol "JROOF". The Company is a reporting issuer in British Columbia, Alberta and Ontario.

### Intercorporate Relationships

Jericho has two wholly-owned subsidiaries, being Jericho Oil (Kansas) Corp., a corporation existing under the laws of Delaware, and Jericho Oil (Oklahoma) Corp., a corporation existing under the laws of Delaware.

The Company incorporated a subsidiary, Jericho Oil (Kansas) Corp., in the State of Delaware, on January 27, 2014, and another subsidiary, Jericho Oil (Oklahoma) Corp., also in the State of Delaware, on February 18, 2015. Jericho Oil (Kansas) Corp. has one wholly-owned subsidiary, being Hydrogen Technologies LLC., a corporation existing under the laws of Delaware.



### GENERAL DEVELOPMENT OF THE BUSINESS

The following is a summary of the business operations of the Corporation for the periods shown.

#### *Year ended December 31, 2018*

The Company reported a \$4.1 million loss for the year ended December 31, 2018. The Company's unfavorable operating results were impacted primarily by higher general and administrative expense related to increased investor relations activity and the Company's \$1.3 million share of loss from equity investments.

The operating results of the Company's joint ventures improved in 2018 compared with 2017 primarily due to higher sales volumes and increases in oil sales prices (\$63.54 vs \$48.63 in 2018 vs 2017, respectively) combined with lower lease operating and impairment expenses compared to 2017. The increase in sales volumes was attributable to the Company's activities in the STACK play within the Anadarko Basin of Oklahoma.

In first quarter 2018, the Company, through its RSTACK Walnut Joint Venture ("**STACK JV**", or "**Walnut**"), swapped a portion of its undeveloped acreage in Blaine and Major County with Staghorn STACK LLC ("**Staghorn**"). As part of the agreement, Jericho participated through its STACK JV with a 47% working interest in drilling the Wardroom 19-13-12 well (Section 12-19N-13W). The 30-day normalized rate (IP30) for the Wardroom was 770 barrels of oil equivalent ("**BOE**") per day (67% oil), and the well was placed on production in late first quarter.

A second well, the Valkyrie 6-19N-12W #1H, was drilled with Staghorn to an approximate depth of 13,500 feet during third-quarter 2018. The well was placed on production in the fourth quarter and was producing approximately 528 BOEs per day (37% oil) in December 2018. The STACK JV owns a 23.5% working interest in the well.

The Company entered into a farm-in agreement through its STACK JV to participate in the drilling of between two and five horizontal wells in Major County, near the Company's core STACK operating area, with a private operator. The STACK JV participated in the drilling of the first Osage well, the Swordspear 23-10-15 1H, during the second quarter. This well (47.5% WI / 37.8% NRI to Walnut) was placed on production in the latter part of the second quarter and was producing approximately 230 barrels of oil equivalent per day at the end of 2018.

On January 9, 2018, the Company closed a non-brokered private placement of 3,784,946 units at a price of \$0.60 per unit for gross proceeds of \$2,270,968. Each unit is comprised of one common share and one-half warrant with each full warrant entitling the holder to purchase one common share of the Company at a price of \$0.90 per share for a period of 24 months from closing. The Company received \$2,193,535 in connection with this private placement during the year ended December 31, 2017.

During first quarter 2018, 9,023,560 warrants were exercised at \$0.60 per share for proceeds of \$5,414,136. The Company received \$4,412,929 in connection with these warrant exercises during the year ended December 31, 2017.

#### *Year ended December 31, 2019*

The Company reported an \$8.5 million loss for the year ended December 31, 2019. For the year, favorable reductions in general and administrative expense were more than offset by a \$6.3 million loss from equity investments.

The primary factors impacting 2019 results from equity investments compared to 2018 were significant non-cash impairment charges (\$4.1 million net to JEV) and lower operating revenues from lower sales prices and volumes. For 2019, impairment charges increased due to a decrease in forward oil prices which impacted the value of the Company's reserves. In addition, impairment charges for the Company's interests in the STACK play related primarily to leasehold acreage with primary terms expiring before drilling would likely occur.

Operations in 2019 for the Joint Ventures were also impacted by non-recurring events experienced throughout the year. During second quarter 2019, several of the Company's joint ventures were impacted by severe weather in Oklahoma. No permanent damage was sustained, but several power outages and flooding required the temporary suspension of operations in some areas and a delay in scheduled reworks.

#### *Year ended December 31, 2020*

The Company reported a \$20.1 million loss for the year ended December 31, 2020. The Company's unfavorable operating results were impacted primarily by the Company's \$16.7 million share of loss from equity investments.

Starting in the first quarter of 2020, the World Health Organization declared a world-wide pandemic resulting from the coronavirus (COVID-19) outbreak. As the disease rapidly spread across the globe, many countries required companies to limit or suspend business operations, implemented travel restrictions, and ordered individuals to stay at home. These measures materially impacted the demand for the Company's hydrocarbon products.

The sustained impact on global oil demand and uncertainties caused by the pandemic resulted in lower forecasted oil prices compared to 2019 for the 2020 year-end reserve report prepared by the Company's independent third-party reserves evaluators. The lower forecasted oil prices resulted in reduced estimated values of the underlying oil and gas properties. The Company also considered the reduced drilling and investment activity in the STACK play of Oklahoma to be indicators of impairment of its interest in the area. As a result of these factors, an impairment loss of a combined \$17.9 million net to JEV was recorded during 2020 as part of the Company's share of loss from equity investments.

On June 12, 2020, the Company closed a fully subscribed non-brokered private placement of 50,000,000 units at a price of \$0.10 per unit for gross proceeds of \$5 million. Proceeds received totaled approximately \$4.8 million due to foreign exchange rate changes on funds received. Each unit is comprised of one common share and one warrant with

each warrant exercisable for one additional common share at a price of \$0.13 per share for a period of 36 months from the date of issuance.

## DESCRIPTION OF THE BUSINESS

### Overview

Jericho's legacy business is an independent crude oil and natural gas company engaged in the exploration, development, and production of crude oil and natural gas. Consistent with the Company's name change in March 2021, Jericho began expanding its energy portfolio and will focus on building a broader energy portfolio to be a part of the energy transition with investments in hydrogen technologies, energy storage, carbon capture and new energy systems. Jericho will continue to manage and operate its legacy energy assets.

EV has two principal operating businesses. One is focused on Low Carbon Technologies and the other related to legacy hydrocarbon assets (production of crude oil & natural gas) (the "Legacy Energy" assets).

The Company's Legacy Energy assets are strategically located in Oklahoma, OK, USA and is engaged in the exploration, development and production of crude oil and natural gas. The Legacy Energy assets derive their revenues, operating income, and cash flows from the sale of crude oil and natural gas and the Company expects this to continue in the future. JEV's operations are primarily focused on exploration and development activities in the Anadarko Basin STACK Play, Hunton, Mississippi Lime and Woodford Shale formations in Oklahoma. The Company has approximately 55,000 net acres of developed and undeveloped acreage. Jericho conducts its operations through its subsidiaries and various joint arrangements in the states of Oklahoma and Kansas. The Company classifies its interests in joint arrangements as either joint operations (if Jericho has rights to the assets and obligations for the liabilities relating to an arrangement), or joint ventures (if Jericho has rights only to the net assets of an arrangement).

The Company provides and continues to develop commercially viable hydrogen-based boilers to replace traditional fossil-fuel based combustion boilers for some of the world's largest heavy industries who require heat and high-quality process steam. All major industrial energy users devote significant proportions of their fossil fuel consumption to steam production including: Food Processing (57%), Pulp and Paper (81%), Chemicals (42%), Petroleum Refining (23%) and Primary Metals (10%). Moreover, 37% of all fossil fuels utilized in US Industry today are burned to produce steam. Hydrogen Technologies LLC ("HTI")'s cleanH2steam DCC™ boiler is an advantaged technology solution providing a unique combination of efficiency, flexibility, cost effectiveness and environmental benefits for these markets.

The cleanH2steam DCC™ was developed from a clean sheet of paper to be the industrial boiler of future. It maximizes thermal efficiency, minimizes operational headaches, and emits absolutely no greenhouse gasses or other pollutants. Given the global thermal energy needs contribute to over 20% of annual GHG emissions, and the required pace to meet Net Zero sustainability goals, our emission free boiler is a bold step in the evolution of hydrogen technology. The cleanH2steam DCC™ is the only zero emissions, closed-loop hydrogen boiler, highly protected by our family of patents. Our approach produces clean process steam without generating any air pollutants. As a result, there is no required smokestack or any other energy dissipating exhaust and is nearly 30% more efficient in fuel usage than a conventional steam boiler.

We expect to produce standard sized boilers around the most demanded output requirements for heat and process steam applications. The three boilers' sizes are related to output per hour, or kilograms ("kgs") of steam per hour: the DCC3000, DCC6000 and DCC30000. For instance, the DCC6000 produces 6,000 kg of steam per hour, the equivalent of 500 horsepower, 21.2 mmbtu or 13,200 pounds of steam, capable of driving a highly efficient 1MWe steam turbine. For larger steam applications, the cleanH2steam DCC can be set in series, with multiple boilers aggregated to the total requirement or can be customized for larger outputs.

Currently and in the future, our Low Carbon Technologies business has two fundamental pieces: Technology Sales and Steam Sales.

As we scale up the business related to our cleanH2steam DCC™ product line, our primary revenue driver will be from the product sale of our hydrogen boiler solution. We will sell and install to customers seeking to own and operate their infrastructure. We have and will continue to build out an internal sales force while also looking to develop thermal solutions and CHP plants with global energy service companies. Moreover, the boiler market has traditionally seen their product sold through territorial distribution channels – JEV will also look to establish these distribution relationships with key partners who understand the crucial advantages our cleanH2steam boiler provides customers. In addition to our Technology Sales, the Company will offer a suite of performance guarantees and warranties for purchase.

Our second business line related to the cleanH2steam DCC, is a program whereby the Company will utilize its own balance sheet to develop, finance and own Thermal plants to sell steam to customers. The sale of steam will be based on long-term contracts, creating visible and secure cash flow (i.e., steam-as-a-service). This future business line will develop overtime and is not expected to materialize over the next 12 months.

#### *The Legacy Hydrocarbon Business*

The energy transition will continue to see our legacy oil and gas assets under the Company's umbrella. While the world is moving towards adding more low-carbon energy sources, it is our belief that we can grow both new low carbon businesses, products and services while also maintaining our current asset base we have acquired through the last six years. While the Company will continue to focus on delivering value through our hydrocarbon business, our Low Carbon Technologies Business will shift our allocation of capital towards low carbon and other energy transition activities. This combination of businesses along the energy transition supply chain will provide our shareholders a balance between both a short-term recovery in oil and gas prices and asset value in addition to a long-term low carbon strategy with strong prevailing corporate, industrial, and government-initiated tailwinds.

The Legacy Hydrocarbon Business entails the Company engaging one or more related parties to provide services including geological, drilling, development, and operating services; back-office services including payroll, administrative services, land regulatory, and project management. In addition, one or more related parties of the Company actively manage multiple vehicles in the oil and gas space.

#### *The Low-Carbon Energy Solutions Business*

The Company is embracing today's demand for an energy transition by seeking early positions in hydrogen, energy storage, carbon capture systems, and other new energy technologies which will largely be undertaken by today's global resource and energy companies. Solving tomorrow's climate challenges will take a multi-faceted approach and a rethinking of our current energy systems – this is what will drive both our investment focus and portfolio forward.

JEV will focus its investments on disruptive low-carbon technology solutions related to the hydrogen value chain including, clean hydrogen generation, transportation, storage, and applications in addition to other new energy systems. Hydrogen will be a critical zero-emissions fuel for the decarbonization of various markets related to the electric grid, transportation, and heating markets in addition to its use as a feedstock in heavy industry, chemicals, and refining sectors. We will seek to take early-stage, control-type investments in varied disruptive technologies where we have a unique advantage to attract highly strategic partners and customer deployments. Our access to relevant market players will create a springboard for accelerated commercial-scale technology deployments and near-term revenue potential.

JEV's low-carbon solutions business is principally focused on providing solutions related to the hydrogen value chain. JEV's wholly owned subsidiary, Hydrogen Technologies LLC, is a hydrogen technology provider focused on decarbonizing the approximately \$30 billion Commercial, Industrial and Combined Heating and Power markets.

Hydrogen Technologies LLC ("**HTI**") has a novel and patented method for efficiently burning pure hydrogen in a vacuum chamber to create high-temperature heat and steam with zero emissions through a closed-loop process. HTI's hydrogen-based boiler system product is called the cleanH2steam DCC™ and was awarded the Solar Impulse Efficient Solutions Label in 2019. Hydrogen Technologies LLC. holds the Company's 100% interest in HTI.

HTI aims to decarbonize the global thermal energy needs. Thermal energy requirements contribute more than 20% of global CO<sub>2</sub>e emissions every year. Traditional water and space heating, steam generation and CHP markets have been powered by fossil fuel for over 150 years, producing harmful Carbon Dioxide (CO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>) and sulfur dioxide (SO<sub>2</sub>) emissions which are increasingly being phased out or eliminated through government-led emission-based performance and taxonomy standards worldwide. Globally, 85% of all Industrial Boilers emit harmful GHGs with over 35% of the Industrial boiler install base still powered by coal.

In this business, we provide and continue to develop commercially viable hydrogen-based boilers to replace traditional fossil-fuel based combustion boilers for some of the world's largest heavy industries who require heat and high-quality process steam. All major industrial energy users devote significant proportions of their fossil fuel consumption to steam production including: Food Processing (57%), Pulp and Paper (81%), Chemicals (42%), Petroleum Refining (23%) and Primary Metals (10%). Moreover, 37% of all fossil fuels utilized in US Industry today are burned to produce steam. HTI's cleanH2steam DCC™ boiler is an advantaged technology solution providing a unique combination of efficiency, flexibility, cost effectiveness and environmental benefits for these markets.

JEV's hydrogen research and development activities are conducted by the HTI team. JEV utilizes a combination of in-house resources and contracted engineers for its research activities, allowing it to maintain intellectual property related to design, process, and manufacturing of JEV's products.

JEV's development activities are presently focused on the development of its novel hydrogen boiler systems, standardization, and containerization of the hydrogen boiler systems. Next generation development consists of proprietary work around combustion and materials science related to the combustion chamber, combustion under a vacuum as well as new burner and ignition designs.

In addition to in-house developments, JEV is actively performing due diligence on complementary or enabling hydrogen-based technologies that could be acquired or licensed for beneficial use. Our acquisition strategy will include is hydrogen production, compression and storage capabilities .

### *Overall Business Strategy*

1. Offer an efficient hydrogen based Zero Emissions steam boiler backed by significant invest<sup>ment</sup> in and pull towards Net Zero Sustainability Goals

Hydrogen is a carbonless molecule that can be utilized as a store of energy, fuel for heat and power or as a feedstock into chemical processes like methanol production. Hydrogen will have the greatest effect on sectors where decarbonization with electricity from renewable energy is not possible – e.g., high temperature or process manufacturing industries – JEV's primary markets for its DCC™ boiler.

Currently, over 99% of hydrogen produced today is made using fossil fuels, accounting for 6% of natural gas demand, 2% of coal globally, and consequently 2.2% of global carbon emissions (Source: IEA, BNEF). The most common method, steam methane reforming (SMR), react natural gas with high-temperature steam. Coal gasification reacts coal with high-temperature steam to create hydrogen and carbon monoxide, which is again reacted with steam after the removal of impurities.

Given the use of fossil fuels, the current production of hydrogen is not emission-free. The only currently available method of zero carbon hydrogen production is if renewable power is used to power an electrolyser. Electrolysis is an electro-chemical process splitting hydrogen and oxygen from water using electricity. It is important to highlight

that electrolysis hydrogen production technology is "green" only when using renewable energy sources to produce hydrogen.

Regardless of where the hydrogen is sourced from, the DCC™ boiler is itself emissions free. However, to completely clean the process, hydrogen produced via renewable power and water electrolysis produces an entirely clean steam for end-use.

By contrast, traditional fossil fuel boilers are extremely carbon intensive. For example, one 1MW equivalent coal-fired boiler operating at 100% capacity, 365 days per year expends nearly 23,000 tons of CO<sub>2</sub>e emissions. Compare that with the average passenger vehicle that emits almost 4.6 tons of CO<sub>2</sub>e emission per year. The energy requirement of that one boiler is equivalent to 5,000 passenger vehicles per year. For comparative purposes, a natural gas-based boiler, a far less carbon intensive fuel than coal, still emits 11,500 tons of CO<sub>2</sub>e or approximately 2,500 passenger vehicles per year worth of emissions.

As corporations and governments worldwide commit to Net Zero, tackling the emissions from their thermal energy needs is a top priority. Our DCC™ boiler will serve as a replacement to the traditional fossil fuel-based boiler market.

Third party research estimates the Commercial and Industrial (C&I) boiler markets at approximately \$30 billion per year market. The C&I boiler market is split evenly between Commercial and Industrial utilization. Commercial applications and markets are primarily focused on steam boilers for space heat, hot water, Combined Heat and Power and Combined Cooling, Heat and Power applications. Industrial applications and markets are primarily focused on high-quality process steam. Below is a guide for JEV's various target markets.

Food and Beverage Processing Market: Steam heat plays an integral role in numerous ways including sterilization, disinfecting, reducing microbiological bacteria, cooking, curing, and drying. Within breweries and distilleries, hot water and steam are used for wort boiling, sterilization and pasteurization.

Chemical Processing: Boiler systems play a key role in the overall process, both in the industrial processes of making the chemicals and the plant operation itself. Steam heat is utilized to heat and cool reactors that operate in a cyclical fashion, whether at the raw materials stage or near the finishing stages of chemical processing. Steam is used to crack or react long chain hydrocarbons to produce various by-products that we use every day including gasoline, diesel, fuel oil, jet fuel, propane etc.

Textiles: Steam or hot water are required for textile engineering, bulk fabric production, garment manufacturing and other textile processes including pre-treatment of raw materials and dyes, printing, and finishing.

Hospitals: From heating and steam sterilization to food prep and laundry services, hospitals rely on their steam boilers for many essential operations. Requiring critical N+1 redundancy, steam needs of a hospital tend to fluctuate during different times of the year and even during different times of the day, so load fluctuation and quick start up times are crucially important.

Automotive Manufacturing: For large-scale automotive manufacturing operations, steam is often required for sterilization, vulcanization of rubber and other manufacturing processes that require fluctuating load demands. More recently, steam utilization for activation of carbon fibers for use in autos has produced a large call on steam boilers.

Power and Utilities: Hydrogen-based steam boilers can provide high-pressure steam to turn a steam turbine for use in power applications in addition to Co-generation of heat and power or tri-generation of cooling, heat and power.

District Energy / Microgrids: Large district energy systems utilize steam for space heat and hot water in addition to providing co and tri-generation. Moreover, when the fuel source (H<sub>2</sub>) is completely made via renewable power sources, the hydrogen-based steam boiler can be decoupled from the grid in a microgrid type setting.

2. Enable hydrogen value chain expansion with synergistic partnerships and acquisitions.

Critical to the overall value proposition is the ability to offer customers a suite of synergistic solutions. From blue and green hydrogen production, compression and storage to novel hydrogen solutions and applications the overall hydrogen market is a large and growing global addressable market. Research from Goldman Sachs and Bank of America suggest 45% of energy related GHG emissions could be decarbonized by hydrogen, representing over 18-24% of final global energy demand. These figures imply, according to the same research, \$11 billion in direct and indirect infrastructure spend with a \$2.5 trillion total addressable market by 2050.

Our ability to offer customers end-to-end solutions for their hydrogen needs will be a focus of Jericho's strategy, whether through acquisition, joint venture, or other partnership structures. This will allow our Company to drive further penetration into the large and growing hydrogen market.

*Production and Services*

HTI employs external resources to manufacture its products. HTI has a manufacturing contract with UK-based UnitBirwelco Ltd. Founded in 1902, UnitBirwelco is an internationally recognized engineering, procurement, and construction management ("EPCm") firm with specific expertise in thermal equipment including complex, high-temperature systems, projects, and capabilities operating primarily within the power, energy, oil & gas, pharmaceutical and chemical & petrochemical sectors.

UnitBirwelco supplies engineering support, procurement, manufacturing, and fabrication related to HTI's cleanH2steam DCC™ boiler. The cleanH2steam DCC™ boiler is made up high-quality steel sourced from multiple reliable suppliers and is not dependent on any single supplier of steel.

Quality assurance is an integral part of JEV's management and manufacturing philosophy. Our contract manufacturer, UnitBirwelco holds many high-level manufacturing certifications from various organizations including EC Certificate of Conformity to the Pressure Equipment Directive 2014/68/EC, ASME (American Society of Mechanical Engineers) certified manufacturer of pressure vessels, U Code Stamp, ASME certified manufacturer and assembler of power boilers, S Code Stamp, National Board "R" Certification of Authorization, National Board "NB" Certification of Authorization to Register, Lloyd's Register Quality Assurance ISO 9001 Management Systems, SGS ISO 9001 Management Systems, ISO 14001 Environmental Management, OHSAS 18001, ISO 3834-2, BS EN1090 EXC 4.

*Specialized Skill and Knowledge*

The Company's engineering specialties include Chemical, Mechanical, Industrial Design and Process Engineering. With a wealth of skills including masters degrees, technical degrees, law degrees, our workforce draws from the best and brightest.

JEV is committed to a workplace free of discrimination and harassment. Our expectations for individual integrity and ethical, moral, and legal conduct are outlined in our Code of Ethics which applies to everyone in JEV, including directors, officers, employees, contractors, agents and consultants who act on behalf of JEV. The Code of Ethics is reviewed annually by the directors, officers, in conjunction with Human Resources. We have also implemented a Whistleblower email account to provide an avenue for employees to raise concerns about corporate conduct. The Whistleblower Policy includes the reassurance that individuals will be protected from reprisals or victimization for "whistleblowing" in good faith.

### *Competitive Conditions*

While there are no other zero emissions hydrogen boilers besides the cleanH2steam DCC™, due to the novel and protected nature of the closed-loop combustion process, JEV faces competition within its target markets primarily from other long entrenched manufacturers of fossil fuel boilers and non-hydrogen zero emissions technologies.

However, due to our competitive advantages around efficiencies and reliability, the Company believes there is a strong value proposition, based on both economic and emissions related measures.

The dual problem related to inefficient boilers results not only in harmful GHG emissions in the form of waste heat and gas, but in an increase in total cost. The inability to design efficient, closed-loop boiler systems with carbonless molecules greatly increases the amount of carbon emitting fuel input for the same amount of useful energy increasing one's total cost of energy production and carbon footprint.

In addition to fossil fuel-based boilers, the market has produced alternative zero emission boilers. However, these alternatives (like 'Hydrogen-Ready' boilers and Electric Boilers) are fraught with their own challenges around reliability, O&M and total cost, and total emissions profile.

Most natural gas boilers can already accept a fuel mix at sub 20% pure Hydrogen. Further, many large boiler manufacturers are already marketing dual-fuel or 100% hydrogen boilers for residential and limited commercial applications. However, all these designs burn hydrogen in the presence of air, which generates emissions which must be vented via a smokestack. The existence of this smokestack is responsible for efficiency losses and GHG emissions which cannot be designed around.

It is technically possible to produce high-pressure high-temperature steam from pure electric boilers, but there are some fundamental issues with this approach. These include but are not limited to 1) grid/regulatory acceptance of high-output transformers 2) fouling of internal electrical components shortens service life and reduces uptime 3) water purity must be upgraded to reduce said fouling 4) availability of peak power requirements and related peak demand charges. For all these reasons and more, industrial boilers unilaterally employ hydrocarbon fuels instead of electrons to do their work.

### *Intellectual Property*

In Q1, 2021, JEV acquired all the intellectual property related to Hydrogen Technologies Inc's cleanH2steam DCC™ boiler and will continue to develop and sell its systems.

JEV depends on exclusive patents related to HTI's cleanH2steam DCC™ boiler in addition to certain trademarks and trade secrets to protect its products and brands. JEV actively monitors intellectual property owned by others on an ongoing basis in order to avoid intellectual property infringements.

### *Environmental Protection*

JEV is committed to the protection of the environment and to the prevention of pollution in all the markets it serves:

- Ensuring workplace safety and ensuring our operations comply with all applicable health, safety, and environmental legislation, industry codes, and standards.
- Collaborating with partners and industry stakeholders in the protection of the environment, the efficient use of resources, and the implementation of pollution mitigating practices.
- Developing products and technologies that are safe for their intended use, efficient in their use of energy, preserving environmental health, and safeguarding employees, customers, and the general public from injuries or health hazards.

- Mitigating the environmental impacts of our operations, assessing our environmental impact and setting internal targets for improvement.
- Being an environmentally responsible neighbor in the communities where we operate.
- Evaluating our environmental performance through regular auditing and assessment of our environmental, social, and governance (ESG) policy. We will communicate the appropriate information to our stakeholders including our Board, employees, shareholders, governmental agencies, and the public.

All phases of our oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of same can result in the imposition of clean-up orders, fines and/or penalties, some of which may be material as well as possible suspension or forfeiture of requisite licenses or permits obtained from the various governmental authorities. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge. Although the Corporation believes that it is in material compliance with current applicable environmental laws and regulations, no assurance can be given that environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Climate change is the biggest problem we face, and is one we really need to solve. The path forward is a transition to a low-carbon energy future. With that realization, energy markets are fundamentally changing, moving towards sustainable practices and assets, driven by societal expectations, shifts in consumer preferences, and backed by governments and private sectors taking bold and swift action.

For example:

- 197 Countries have signed onto the International Paris Climate Accord, including the 4 largest economies pledging Net Zero carbon targets;
- More than 1,500 Global Corporations have signed onto become Net Zero by 2050, including most of the Fortune 100;
- Asset and investment fund managers are actively deploying environmental strategies that align with the Paris Climate Accord with more than \$12 trillion in investor AUM having divested of fossil fuel companies; and
- More than 70% of consumers have changed their behavior out of concern for climate change.

As a result, significant opportunities exist to decarbonize our transportation, power, and heating end-markets – the three largest emitting sectors. JEV has a particular focus on decarbonizing the traditionally fossil-fuel based thermal energy market, where we believe exists a tremendous opportunity. Thermal needs for space heat, hot water, high-quality industrial steam and high-pressure steam for Combined Heat and Power produce greater than 20% of Global GHG emissions. Any pathway to Net Zero must combat our reliance on fossil fuels to meet our thermal energy needs.

There are four primary demand drivers for our efficient zero emission cleanH2steam DCC boiler.

## Net Zero Goals

Government and corporates alike are driving to reach near-term 2030 and longer term 2050 GHG emission reduction goals. Concerns regarding GHG emissions and their impact on global warming has prompted the introduction of Government regulations and worldwide Inter-Government coordination (COP21) trying to reduce these harmful emissions.

Fossil fuel boilers are extremely carbon intensive and are nearly ubiquitous in commercial and industrial heating markets where almost 85% of all installed boilers emit some sort of harmful GHG emission (CO<sub>2</sub>, NO<sub>x</sub> or SO<sub>x</sub>). Corporations looking to net zero goals are increasingly turning to lower and zero emissions boiler systems to meet their objectives.

## Carbon Pricing and Taxonomy

Over 64 carbon pricing initiatives have been implemented or scheduled. Current and future carbon pricing schemes or tax assumptions are beginning to be included into customer's techno-economic analysis for their fossil fuel boiler systems. Because boilers are a 20- and 30-year investment decision, forecasting any future carbon price is just as important as what current policies or prices are set at. For example, Canada has introduced a phased-in carbon tax, beginning at \$50 / ton in 2022, ultimately rising to \$133 / ton by 2030. The current price (April 2021) of carbon in EU markets is around \$40 / ton. The use of a carbon pricing tools provides strong tailwinds to the comparative economics of clean energy technologies including the use of hydrogen-based boiler systems.

## Stringent Policy

More stringent than economic mechanisms, many countries and local jurisdictions are outright banning the sale of new fossil-fuel based boilers. In particular, the United Kingdom and many localities on the West Coast of the United States (California, Washington state, Oregon) have already passed legislation banning the sale of new fossil fuel boilers in the future. The push to ban traditional boiler competition should lead consumers of heat and steam to zero emissions solution like this cleanH<sub>2</sub>steam boiler.

## Renewable Power Generation and The Price of Green Hydrogen

Recent technical inflection points are accelerating the push of hydrogen into mainstream use. Hydrogen technology has been around for decades but has yet to reach its tipping point. We believe this is about to change for three reasons: 1) the falling cost of renewable energy and electrolyzers used to produce green hydrogen – down 50% in the past 5 years and estimated to fall 60% - 90% further before the end of the decade; 2) tech improvements, better efficiencies and flexibility in fuel cell and electrolyzers; 3) a global focus on decarbonization and sustainability, expanding potential end-markets.

Renewable electricity cannot provide the entire solution for decarbonization: 80% of energy today comes from fossil fuels rather than renewable sources. Green hydrogen could be key in the fight against global warming, providing up to 24% of our energy needs by 2050, helping to cut emissions by up to 30%. For the increasing number of countries signing legally binding pledges for net zero carbon emissions by 2050, the only viable clean molecule is hydrogen, which will play a major role in achieving these goals.

Hydrogen will have the greatest effect on sectors where decarbonization with electricity from renewable energy is not possible. Providers of hydrogen technology are set to be beneficiaries, alongside renewable utilities, as the renewable capacity needed for green hydrogen production could grow 10x by 2050. Other sectors where electrification cannot be the answer like steel, heating, and transport, could transition to zero-carbon solutions like hydrogen.

JEV's direct addressable market will be related to the decarbonization of thermal energy worldwide with a focus on the commercial and industrial end markets. Commercial market with large heat and steam requirements for space heat and hot water include: shopping malls, universities, airports, hotels, stadiums, venue halls, hospitals and government buildings. The industrial market is focused on stationary steam applications.

### *Employees*

As of May 31, 2021, JEV proudly counts 25 people with 5 departments throughout its operations and joint ventures in a full range of disciplines from engineering and accounting to geophysics and corporate development.

## **Risk Factors**

### **Risks Related to Our Operations**

#### *Public Health Crises*

Our business, financial condition and results of operations, and those of our customers, suppliers and vendors, are being adversely affected by the recent global COVID-19 outbreak and may be adversely affected by other similar outbreaks

When a pandemic or outbreak of an infectious disease occurs, our business, financial condition and results of operations may be adversely affected. In December 2019, a novel strain of coronavirus, COVID-19, was identified in Wuhan, China and has subsequently spread globally. This global pandemic has disrupted business operations, trade, commerce, financial and credit markets, and daily life throughout the world. Our business has been, and continues to be, adversely impacted by the measures taken and restrictions imposed in the countries in which we operate and by local governments and others to control the spread of this virus. These measures and restrictions have varied widely and have been subject to significant changes from time to time depending on the changes in the severity of the virus in these countries and localities. These restrictions, including travel and curtailment of other activity, negatively impact our ability to conduct business. The volatility and variability of the virus has limited our ability to forecast the impact of the virus on our customers and our business. The continuing resurgence of COVID-19, including at least one new strain thereof, has resulted in the re-imposition of certain restrictions and may lead to other restrictions being implemented in response to efforts to reduce the spread of the virus. These varying and changing events may cause projects to be delayed. The resulting uncertainty concerning, among other things, the spread and economic impact of the virus has also caused significant volatility in global markets. The full extent of the COVID-19 impact on our operational and financial performance will depend on future developments, including the ultimate duration and spread of the pandemic and related actions taken by government officials, and international governments to prevent disease spread, as well as the availability and effectiveness of COVID-19 vaccinations. All of which are uncertain, out of our control, and cannot be predicted.

This outbreak, and any outbreak of a contagious disease or any other adverse public health developments in countries where we operate, could have material and adverse effects on our business, financial condition, and results of operations. In addition, any outbreak may result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn or recession that could affect demand for our products or our ability to obtain financing for our business or projects.

The ultimate effect of the COVID-19 outbreak or any other outbreak on our business, financial condition and operations will depend heavily on the future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of the virus and the actions taken to contain the virus or treat its impact, among others. In particular, the actual and threatened spread of the virus could have a material adverse effect on the global economy and may negatively impact financial markets in the future, including the trading price of our common stock, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive, could continue to limit the

ability of our personnel to travel, and could result in any threatened areas to be subject to quarantine and shelter-in-place orders among other restrictions. Any of these developments could have a material adverse effect on our business, liquidity, capital resources and financial results and may result in our inability to continue operating as a going concern or require us to reorganize our company in its entirety, including through bankruptcy proceedings.

### ***Non-GAAP Financial Measures***

Adjusted joint venture income is a Non-GAAP measure not recognized under Canadian generally accepted accounting principles ("GAAP") and does not have a standardized meaning prescribed by GAAP. Management believes the measure presents the combined joint ventures and Equity Investments as viewed by investors and lenders of the financial performance of the combined joint ventures, while reflecting the operations in the currency in which revenue and prices are denominated. The Company's Non-GAAP measures may differ from similar computations as reported by other organizations and, accordingly, may not be comparable to non-GAAP measures as reported by such organizations. The Company's Non-GAAP measures should not be construed as alternatives to net income, cash flows related to operating activities, working capital or other financial measures determined in accordance with GAAP, as an indicator of the Company's performance.

### ***Reliance on Key Personnel***

The Company strongly depend on the business and technical expertise of our management team and there is little possibility that this dependence will decrease in the near term. Our success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on our business and prospects as we may not be able to find suitable individuals to replace them on a timely basis. The contributions of the existing management team to our immediate and near term operations are likely to be of central importance.

Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of our management. The amount of time and expertise expended on our affairs by each of our management team and our directors will vary according to our needs. We do not intend to acquire any key-person insurance policies and there is, therefore, a risk that the departure of any member of management, our Board, or any key employee or consultant, could have a material adverse effect on our future.

### ***Protection of Intellectual Property Rights***

The Company relies on patented and unpatented proprietary expertise, recipes and formulations and other trade secrets to develop and maintain our competitive position. Our success depends, to a significant degree, upon our ability to protect and preserve our intellectual property. Our employees with access to such information are subject to confidentiality provisions contained in their employment offers which prohibit them from disclosing information acquired by them during, as a consequence of or in connection with their employment. We rely on these agreements to protect our intellectual property rights. Nevertheless, trade secrets are difficult to protect. Although we attempt to protect our trade secrets, our confidentiality provisions may not effectively prevent disclosure of our proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

### ***Technology Risks***

The Company is investing in the development of new technologies that differentiate us from our competitors, such as the HTI Acquisition. Acquiring, developing and delivering these technologies increase our expenses and our organizational complexity, and we may experience difficulties in acquiring, developing and delivering these new technologies.

Our new technologies have a high degree of risk, as they may involve unproven businesses with which we have limited or no prior development or operating experience. There can be no assurance that demand for such technologies will exist or be sustained at the levels that we anticipate, that we will be able to successfully manage the development

and delivery of such technologies, or that any of these technologies will gain sufficient market acceptance to generate sufficient revenue to offset associated costs expenses or liabilities. It is also possible that technologies developed by others will render our technologies noncompetitive or obsolete. Further, these efforts entail investments in new industries and increase legal and regulatory compliance expenses, could distract management from current operations, and will divert capital and other resources from our more established business model. Even if we are successful in acquiring, developing and delivering new technologies, regulatory authorities may subject us to new rules, taxes or restrictions, that could increase our expenses or prevent us from successfully commercializing these technologies. If we do not realize the expected benefits of our investments, we may fail to grow and our business, results of operations, and financial condition would be materially adversely affected.

### ***Liability and Insurance***

The Company's operations are subject to operating risks, which could expose us to potentially significant professional liability, product liability, warranty and other claims. Our insurance coverage may be inadequate to cover all of our significant risks, our insurers may deny coverage of material losses we incur, or we may be unable to obtain additional insurance coverage in the future, any of which could adversely affect our profitability and overall financial condition.

We engineer, construct, and perform services in, and provide products for, industrial facilities where accidents or system failures can have significant consequences. Risks inherent in our operations include:

- accidents resulting in injury or the loss of life or property;
- environmental or toxic tort claims, including delayed manifestation claims for personal injury or loss of life;
- pollution or other environmental mishaps;
- adverse weather conditions;
- mechanical failures;
- property losses;
- business interruption due to political action or other reasons; and
- labor stoppages.

Any accident or failure at a site where we have provided products or services could result in significant professional liability, product liability, warranty and other claims against us, regardless of whether our products or services caused the incident.

We endeavor to identify and obtain in established markets insurance agreements to cover significant risks and liabilities. Insurance against some of the risks inherent in our operations is either unavailable or available only at rates or on terms that we consider uneconomical. Also, catastrophic events customarily result in decreased coverage limits, more limited coverage, additional exclusions in coverage, increased premium costs and increased deductibles and self-insured retentions. Risks that we have frequently found difficult to cost-effectively insure against include, but are not limited to, business interruption, property losses from wind, flood and earthquake events, war and confiscation or seizure of property in some areas of the world, pollution liability, liabilities related to occupational health exposures (including asbestos), the failure, misuse or unavailability of our information systems, the failure of security measures designed to protect our information systems from cybersecurity threats, and liability related to risk of loss of our work in progress and customer-owned materials in our care, custody and control. Depending on competitive conditions and other factors, we endeavor to obtain contractual protection against uninsured risks from our customers. When

obtained, such contractual indemnification protection may not be as broad as we desire or may not be supported by adequate insurance maintained by the customer. Such insurance or contractual indemnity protection may not be sufficient or effective under all circumstances or against all hazards to which we may be subject. A successful claim for which we are not insured or for which we are underinsured could have a material adverse effect on us. Additionally, disputes with insurance carriers over coverage may affect the timing of cash flows and, if litigation with the carrier becomes necessary, an outcome unfavorable to us may have a material adverse effect on our results of operations. Moreover, certain accidents or failures, including accidents resulting in bodily injury or harm, could disqualify us from continuing business with customers, and any losses arising thereby may not be covered by insurance or other indemnification.

### ***Litigation Risk***

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect our business. Should any litigation in which we become involved be determined against us, such a decision could adversely affect our ability to continue operating and the market price for the Company's common shares and could use significant resources. Even if we are successful in any litigation, litigation can redirect significant resources and may also create a negative perception of the Company's brand and future outlook.

### ***Potential Litigation Claims***

The Company reported that in November 2016, Eagle Road Oil, LLC ("Eagle Road"), a joint venture entity in which its U.S. subsidiary Jericho Oil (Oklahoma) Corp., owns a 50% interest, was named as one of 27 defendants in a class action petition filed in the district court of Pawnee County Oklahoma. The petition alleges that the named oil and gas companies caused man-made earthquakes through the disposal of fracking wastewater. No specific damage amount is alleged in the action. Eagle Road carries industry standard insurance for operational, general and environmental liabilities. Eagle Road conducts its operations in accordance with industry standard practices and adheres to state guidelines and regulations.

Eagle Road filed a motion to dismiss the case. The motion was heard on July 7, 2017. The motion was sustained in part and denied in part. The claim for ultra-hazardous activity was dismissed and the motion was denied as to the remaining claims. The court required the plaintiffs amend the petition with the photographs removed. Plaintiff's refiled their complaint with the ultra-hazardous activity claim replead as requested by the Court. The Court has ordered Plaintiff's to present evidence to the Court to attempt to establish an ultra-hazardous liability claim on August 23, 2018. This hearing has since been postponed as additional defendants are being added to the case. The Judge in Pawnee County District Court has stated a hearing will be conducted to determine whether plaintiffs may pursue an ultrahazardous activity claim against Eagle Road and other defendants.

### ***Competition Risk***

The Company may not be able to compete successfully against current and future competitors. Some of our competitors or potential competitors have greater financial or other resources than we have and in some cases are government supported. Our operations may be adversely affected if our current competitors or new market entrants introduce new products or services with better features, performance, prices or other characteristics than those of our products and services. Furthermore, we operate in industries where capital investment is critical. We may not be able to obtain as much purchasing and borrowing leverage and access to capital for investment as other companies, which may impair our ability to compete against competitors or potential competitors.

## **Risks Related to Our Industry**

### ***Demand for Products and Services***

Demand for our products and services is vulnerable to macroeconomic downturns and industry conditions. We expect demand for our DCC™ to be subject to significant fluctuations due to a variety of factors beyond our control,

including macroeconomic and industry conditions. These factors include, but are not limited to, the cyclical nature of the industries we serve, inflation, geopolitical issues, the availability and cost of credit, volatile oil and natural gas prices, low business and consumer confidence, high unemployment and energy conservation measures.

Unfavorable macroeconomic conditions may lead potential customers to delay, curtail or cancel proposed contracts, which may decrease the overall demand for our products and services and adversely affect our results of operations.

In addition, our customers may find it more difficult to raise capital in the future due to limitations on the availability of credit, increases in interest rates and other factors affecting the federal, municipal and corporate credit markets. Also, our customers may demand more favorable pricing terms and find it increasingly difficult to timely pay invoices for our products and services, which would impact our future cash flows and liquidity. Inflation or significant changes in interest rates could reduce the demand for our products and services. Any inability to timely collect our invoices may lead to an increase in our borrowing requirements, our accounts receivable and potentially to increased write-offs of uncollectible invoices. If the economy weakens, or customer spending declines, then our backlog, revenues, net income and overall financial condition could deteriorate.

## **Risks Related to Our Liquidity and Capital Resources**

### ***Speculative Nature of Investment Risk***

An investment in the Company carries a high degree of risk and should be considered as a speculative investment. The Company has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

### ***History of Losses***

The Company has experienced net losses since incorporation. We anticipate that our operating expenses and capital expenditures will increase substantially in the foreseeable future as we continue to invest to increase our customer base, supplier and distributor network, invest in production facilities, in particular, the Vancouver Facility, hire additional employees and enhance our production capabilities. Our expansion efforts may prove more expensive than anticipated, and it may not succeed in increasing sales and margins sufficiently to offset the anticipated higher expenses. We incur expenses in developing our products, obtaining and storing ingredients and other products and marketing the products we offer. In addition, many of our expenses, including the costs associated with our existing and the proposed future production facilities, are fixed. Accordingly, we may not be able to achieve or sustain profitability, and we may incur significant losses for the foreseeable future.

### ***Negative Cash Flow***

We have had negative cash flows from operations and if we are not able to obtain further financing, our business operations may fail. We had negative cash flow from operating activities in the fiscal year ended December 31, 2020. We anticipate that we will require additional financing while we operate and expand our new business. Consequently, the net proceeds from sales of securities may be used to fund anticipated negative cash flow from operating activities in future periods. There can be no assurance that any financing will be available to us, or, even if it is, if it will be offered on terms and conditions acceptable to us. Our inability to obtain additional financing in a sufficient amount when needed and upon terms and conditions acceptable to us, could have a material adverse effect upon us. If additional funds are raised by issuing equity securities, dilution to existing or future shareholders will result. If adequate funds are not available on acceptable terms when needed, we may be required to delay, scale back or eliminate the expansion of our business.

### ***Additional Funding Requirements and Risks***

We will need to raise funds in the future through equity or debt. The sale of additional equity may result in additional dilution to our shareholders and such securities may have rights, preferences or privileges senior to those of the

Offered Shares. To the extent that the Company relies upon debt financing, we will incur the obligation to repay the funds borrowed with interest including under the Operating Loan and may become subject to covenants and restrictions that restrict operating flexibility.

Global financial conditions are subject to volatility. This may impact our ability to obtain equity, debt or bank financing in the future on terms commercially reasonable to us or at all and may adversely impact our operations. Continued volatility and market turmoil, caused by a variety of issues that are outside of our control (such as the COVID-19 pandemic) could have a material adverse effect on our business, financial condition, results of operations and cash flows if we are not able to secure sufficient funding or our ability to make required payments on debt outstanding such as the Operating Loan.

### ***Dividend Risk***

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain earnings to finance further growth and, where appropriate, retire debt.

### ***Intellectual Property and Information Security***

A disruption in, or failure of our information technology systems, including those related to cybersecurity, could adversely affect our business operations and financial performance.

We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic sensitive and confidential information, to manage and support a variety of business processes and activities and to comply with regulatory, legal and tax requirements. While we maintain some of our critical information technology systems, we are also dependent on third parties to provide important information technology services relating to, among other things, human resources, electronic communications and certain finance functions.

We face various threats to our information technology networks and systems, including cyber threats, threats to the physical security of our facilities and infrastructure from natural or man-made incidents or disasters, and threats from terrorist acts, as well as the potential for business disruptions associated with these threats. We have been, and will likely continue to be, subject to cyber-based attacks and other attempts to threaten our information technology systems and the software we sell. A cyber-based attack could include attempts to gain unauthorized access to our proprietary information and attacks from malicious third parties using sophisticated, targeted methods to circumvent firewalls, encryption and other security defenses, including hacking, fraud, phishing scams or other forms of deception. Although we utilize a combination of tailored and industry standard security measures and technology to monitor and mitigate these threats, we cannot guarantee that these measures and technology will be sufficient to prevent current and future threats to our information technology networks and systems from materializing. Furthermore, we may have little or no oversight with respect to security measures employed by third-party service providers, which may ultimately prove to be ineffective at countering threats.

If these systems are damaged, intruded upon, attacked, shutdown or cease to function properly, whether by planned upgrades, force majeure, telecommunication failures, hardware or software beak-ins or viruses, or other cybersecurity incidents and our business continuity plans do not resolve the issues in a timely manner, the services we provide to customers, the value of our investment in research and development efforts and other intellectual property, our product sales, our ability to comply with regulations related to information contained on our information technology networks and systems, our financial condition, results of operations and stock price may be materially and adversely affected, and we could experience delays in reporting our financial results. In addition, there is a risk of business interruption, litigation with third parties, reputational damage from leakage of confidential information or the software we sell being compromised, and increased cybersecurity protection and remediation costs due to the increasing sophistication and proliferation of threats. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

To address risks to our information technology systems, we continue to invest in our systems and training of company personnel. As required, we replace and/or upgrade financial, human resources and other information technology systems. These activities subject us to inherent costs and risks associated with replacing and updating these systems, including potential disruption of our internal control structure, substantial capital expenditures, demands on management time and other risks of delays or difficulties in transitioning to new systems or of integrating new systems into our current systems. Our systems implementations and upgrades may not result in productivity improvements at the levels anticipated, or at all. In addition, the implementation of new technology systems may cause disruptions in our business operations. Such disruption and any other information technology system disruptions, and our ability to mitigate those disruptions, if not anticipated and appropriately mitigated, could have a material adverse effect on our financial condition, results of operations and stock price.

### ***Privacy and Information Security Risks***

Privacy and information security laws are complex, and if we fail to comply with applicable laws, regulations and standards, or if we fail to properly maintain the integrity of our data, protect our proprietary rights to our systems or defend against cybersecurity attacks, we may be subject to government or private actions due to privacy and security breaches, any of which could have a material adverse effect on our business, financial condition and results of operations or materially harm our reputation.

We are subject to a variety of laws and regulations in Canada and the United States that involve matters central to our business, including user privacy, security, rights of publicity, data protection, content, intellectual property, distribution, electronic contracts and other communications, competition, protection of minors, consumer protection, and taxation. These laws can be particularly restrictive in countries outside of Canada and the United States. The application and interpretation of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate. Because we store, process, and use data, some of which contains personal information, we are subject to complex and evolving federal, state, and foreign laws and regulations regarding privacy, data protection, content, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in investigations, claims, changes to our business practices, increased cost of operations, and declines in user growth, retention, or engagement, any of which could seriously harm our business.

### ***Confidentiality and Intellectual Property***

We rely on intellectual property law and confidentiality agreements to protect our intellectual property. We also rely on intellectual property we license from third parties. Our failure to protect our intellectual property rights, or our inability to obtain or renew licenses to use intellectual property of third parties, could adversely affect our business.

Our success depends, in part, on our ability to protect our proprietary information and other intellectual property. Our intellectual property could be stolen, challenged, invalidated, circumvented or rendered unenforceable. In addition, effective intellectual property protection may be limited or unavailable in some foreign countries where we operate.

Our failure to protect our intellectual property rights may result in the loss of valuable technologies or adversely affect our competitive business position. We rely significantly on proprietary technology, information, processes and know-how that are not subject to patent or copyright protection. We seek to protect this information through trade secret or confidentiality agreements with our employees, consultants, subcontractors or other parties, as well as through other security measures. These agreements and security measures may be inadequate to deter or prevent misappropriation of our confidential information. In the event of an infringement of our intellectual property rights, a breach of a confidentiality agreement or divulgence of proprietary information, we may not have adequate legal remedies to protect our intellectual property. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert management's attention away from other aspects of our business. In addition, our trade secrets may otherwise become known or be independently developed by competitors. In some instances, we have augmented our technology base by licensing the proprietary intellectual property of third

parties. In the future, we may not be able to obtain necessary licenses on commercially reasonable terms, which could have a material adverse effect on our operations.

### ***Risks Related to Government Regulation***

The Company is subject to government regulations that may adversely affect our future operations. Many aspects of our operations and properties are affected by political developments and are subject to both domestic and foreign governmental regulations, including those relating to: (i) constructing and manufacturing power generation products; (ii) currency conversions and repatriation; (iii) clean air and other environmental protection legislation; (iv) taxation of foreign earnings; (v) tariffs, duties, or trade sanctions and other trade barriers imposed by foreign countries that restrict or prohibit business transactions in certain markets; (vi) changes in applicable laws or policies; (vii) transactions in or with foreign countries or officials; and (viii) use of local employees and suppliers.

### ***Risks Related to International Operations***

We could be adversely affected by violations of the United States Foreign Corrupt Practices Act, the UK Anti-Bribery Act or other anti-bribery laws. The United States Foreign Corrupt Practices Act (the "**FCPA**") generally prohibits companies and their intermediaries from making improper payments to non-United States government officials. Our training program, audit process and policies mandate compliance with the FCPA, the UK Anti-Bribery Act (the "**UK Act**") and other anti-bribery laws. We operate in some parts of the world that have experienced governmental corruption to some degree, and, in some circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. If we are found to be liable for violations of the FCPA, the UK Act or other anti-bribery laws (either due to our own acts or our inadvertence, or due to the acts or inadvertence of others, including agents, promoters or employees of our joint ventures), we could suffer from civil and criminal penalties or other sanctions.

### ***Reserve Estimates***

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors beyond the control of Jericho. The reserve and associated future net revenue information set forth in this Annual Information Form and in the Corporation's Statement of Reserves, filed on SEDAR concurrently with this AIF, are estimates only.

In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, future commodity prices, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil, natural gas and natural gas liquids, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. All such estimates are to some degree speculative, and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Corporation's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

In accordance with applicable securities laws, the Corporation's independent reserves evaluators have used forecast price and cost estimates in calculating reserve quantities in the Corporation's reserve evaluation. Actual future net

revenue will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and revenues derived therefrom will vary from the estimates contained in the reserve evaluations and such variations could be material. The reserve evaluations are based in part on the assumed success of activities the Corporation intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom contained in the reserve evaluations will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluations. The reserve evaluations are effective as of a specific effective date and have not been updated and thus do not reflect changes in the Corporations' reserves since that date.

### ***Risks Related to Ownership of Our Common Shares***

#### ***Volatility Risk***

The market price of our common stock could fluctuate significantly in future periods due to a number of factors, many of which are beyond our control, including, but not limited to: (i) fluctuations in our quarterly or annual earnings or those of other companies in our industry; (ii) failures of our operating results to meet the estimates of securities analysts or the expectations of our shareholders or changes by securities analysts in their estimates of our future earnings; (iii) announcements by us or our customers, suppliers or competitors; (iv) the depth and liquidity of the market for our common shares; (v) changes in laws or regulations that adversely affect our industry or us; (vi) changes in accounting standards, policies, guidance, interpretations or principles; (vii) general economic, industry and stock market conditions; (viii) future sales of our common shares by our shareholders; (ix) the concentration of ownership of our common shares; (x) future issuances of our common shares by us; (xi) our ability to pay dividends in the future; and (xiii) the other risk factors set forth under this AIF.

#### ***Dilution and Share Sales***

Substantial sales, or the perception of sales, of our common stock by us or certain of our existing shareholders could cause our stock price to decline and future issuances may dilute our common shareholders' ownership in the Company.

Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. As of December 31, 2020, we had an aggregate of approximately 178,608,142 million shares of common stock outstanding.

Any sales of substantial amounts of our common stock, or the perception that these sales might occur, could lower the market price of our common stock and impede our ability to raise capital through the issuance of equity securities. Any sales, or perception of sales, by our existing shareholders could also impact the perception of shareholder support for us, which could in turn negatively affect our customer and supplier relationships. Further, if we were to issue additional equity securities (or securities convertible into or exchangeable or exercisable for equity securities) to raise additional capital, our shareholders' ownership interests in the Company will be diluted and the value of our common stock may be reduced.

#### ***Price risk***

The Company's profitability and ability to raise capital to fund development of oil properties is subject to risks associated with fluctuations in oil prices. Management closely monitors oil prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### ***Exploration, Development, and Production Risks***

The acquisition of leasehold interests and the selection of prospects for oil and natural gas drilling, the drilling, ownership and operation of oil and natural gas wells, and the ownership of non-operating interests in oil and natural gas properties is highly speculative. There is no certainty that prospects will produce oil or natural gas or commercial quantities of oil or natural gas. Additionally, the amount of time it will take to recover any oil or gas is unpredictable. Oil and natural gas operations involve many risks that even experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Company 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 time, and the production there from, will decline over time as such existing reserves are exploited. A future increase in the Company's reserves will depend not only on its ability to explore and develop properties it may have from time to time, but also on its ability to select and acquire suitable producing properties and prospects. No assurance can be given that the Company will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of the Company may determine that current markets, terms of acquisitions and participation or pricing conditions make such acquisitions or participations uneconomic.

There is no assurance commercial quantities of oil and natural gas will be discovered or acquired by the Company. Further, completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. Delays and added expenses may also be caused by poor weather conditions affecting, among other things, the ability to lay pipelines or otherwise transport or market hydrocarbons. In addition, ground water, impenetrable substances, various clays and lack of porosity and permeability may hinder or restrict production or even make production impractical or impossible. While diligent field operations and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

### ***Operational Dependence***

The Legacy Hydrocarbon Business includes, without limitation, the operation of producing wells and existing oil and gas assets in Oklahoma through a joint venture, of which JEV owns 50%. Because of the Company's lack of exclusive control over the operation of the assets or their associated costs, the Company's financial performance could be adversely affected. The Company's return on assets operated by others therefore depends upon several factors that may be outside of the Company's control, including the timing and amount of capital expenditures, the operator's expertise, the approval of other participants, and the selection of technology and risk management practices.

### ***Regulatory***

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the Company's costs, any of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. To conduct oil and gas operations, the Company will require licenses from various government authorities. There can be no assurance that the Company will be able to obtain all the licenses and permits that may be required to conduct operations that it may wish to undertake.

## ***Environmental***

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal laws, local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it is in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material adverse effect on the Company's business, financial condition, results of operations and prospects. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on the Company and its operations and financial condition.

## **Forward-Looking Statements May Prove Inaccurate**

Investors are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

## **STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION**

The Company has filed the following documents, effective December 31, 2020, as required under NI 51-101. These documents are incorporated by reference into this AIF and available for review under Jericho Energy Ventures' profile at [www.sedar.com](http://www.sedar.com).

- *NI 51-101F1 – Statement of Reserves Data and Other Oil and Gas Information.* Jericho Energy Ventures' Statement of Reserves Data and Other Oil and Gas Information on Form 51-101F1 filed on SEDAR on April 30, 2021, is dated effective December 31, 2020 (the "**Statement**") and was evaluated by Cawley, Gillespie & Associates, Inc. ("Cawley"), an independent qualified reserves evaluator as defined under NI 51-101. For a complete description of the oil and natural gas reserves of Jericho Energy Ventures, the assumptions, qualifications, and procedures associated with the information in the Statement, reference should be made to the full text of the Statement, which is available for review under Jericho Energy Ventures' profile on SEDAR at [www.sedar.com](http://www.sedar.com).
- *NI 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor,* filed on SEDAR on April 30, 2021.
- *NI 51-101F3 – Report of Management and Directors on Oil and Gas Disclosure,* filed on SEDAR on April 30, 2021.

The Statement relates to Jericho's ownership interests in various properties located in the states of Oklahoma and Kansas, United States of America. In, addition, the tables below are a summary of the reserves and the net present value of future net revenue attributable to the reserves as evaluated in the Cawley report. Due to rounding, certain columns in the tables set forth below may not add exactly.

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates set forth below are based on current production forecasts, prices and economic conditions. As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

### *Summary of Reserves*

The following table set out the reserves and net present value of future net revenue associated with the properties owned by Jericho Energy Ventures, as of December 31, 2020.

Reserve Category	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas Liquids	
	WI (Mbbbl)	NRI Net (Mbbbl)	WI (Mbbbl)	NRI Net (Mbbbl)	WI (MMcf)	NRI Net (MMcf)	WI (Mbbbl)	NRI Net (Mbbbl)
<b>Proved</b> Developed Producing	654.2	518.0	-	-	1,243.7	1,098.6	256.9	205.2
<b>Proved</b> Developed Behind-Pipe	28.9	23.0	-	-	56.3	44.3	63.7	49.7
<b>Proved</b> Developed Non-Producing	338.0	270.5	-	-	971.9	782.2	168.8	136.4
<b>Proved</b> Developed Shut-In	37.0	30.3	-	-	378.8	318.5	98.6	81.8
<b>Proved</b> Undeveloped	996.2	817.2	-	-	370.1	297.8	64.6	52.4
<b>Proved Reserves Total</b>	2,054.3	1,659.0	-	-	3,020.8	2,541.4	652.6	525.5
<b>Probable</b>	78.8	60.3	-	-	34.3	26.6	2.7	2.2
<b>Total Proved plus Probable</b>	2,133.1	1,719.3	-	-	3,055.1	2,568.0	655.3	527.7

*Summary of Net Present Value of Future Net Revenue Before and After Income Taxes*

	Net Present Values of Future Net Revenue					Net Present Values of Future Net Revenue				
	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)				
Reserve Category	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)
Proved Developed Producing	17,966	11,112	7,911	6,108	4,965	13,115	8,187	5,881	4,581	3,755
Proved Developed Behind-Pipe	1,003	678	491	373	293	732	499	364	278	220
Proved Developed Non-Producing	5,438	3,211	1,939	1,154	640	3,969	2,366	1,441	864	483
Proved Developed Shut-In	1,544	963	657	480	367	1,127	709	487	358	276
Proved Undeveloped	22,565	12,802	7,856	4,980	3,152	16,261	9,223	5,635	3,533	2,188
<b>Proved Total</b>	<b>48,516</b>	<b>28,766</b>	<b>18,854</b>	<b>13,095</b>	<b>9,417</b>	<b>35,204</b>	<b>20,984</b>	<b>13,808</b>	<b>9,614</b>	<b>6,922</b>
<b>Probable</b>	<b>756</b>	<b>339</b>	<b>109</b>	<b>(22)</b>	<b>(97)</b>	<b>551</b>	<b>247</b>	<b>75</b>	<b>(24)</b>	<b>(82)</b>
<b>Total Proved plus Probable</b>	<b>49,272</b>	<b>29,105</b>	<b>18,963</b>	<b>13,073</b>	<b>9,320</b>	<b>35,755</b>	<b>21,231</b>	<b>13,883</b>	<b>9,590</b>	<b>6,840</b>

*Additional information concerning Future Net Revenue (Undiscounted)*

Reserve Category	WI Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	Abandonment Costs (M\$)	Production Taxes (M\$)	Ad-Valorem Taxes (M\$)	Future Net Revenue Before Income Tax (M\$)
Proved Developed Producing	44,416	8,894	15,000	-	18	2,508	30	17,966
Proved Developed Behind-Pipe	3,013	635	1,098	110	(1)	167	-	1,003
Proved Developed Non-Producing	22,557	4,490	6,897	4,443	8	1,282	-	5,438
Proved Developed Shut-In	4,146	730	1,520	117	(6)	242	-	1,544
Proved Undeveloped	57,229	10,312	12,776	8,272	13	3,292	-	22,565
<b>Probable</b>	<b>4,590</b>	<b>1,075</b>	<b>1,358</b>	<b>1,148</b>	<b>3</b>	<b>249</b>	<b>-</b>	<b>755</b>

***Future Net Revenue by Product Type***

<b>Reserve Category</b>	<b>Production Group</b>	<b>Future Net Revenue Before Income Taxes (Discounted at 10%/Yr) (M\$)</b>
<b>Proved</b> Developed Producing	Light and Medium Crude Oil (including solution gas and associated by-products)	7,484
	Heavy Oil (including solution gas and associated by-products)	-
	Natural Gas (including solution gas and associated by-products)	427
<b>Proved</b> Developed Behind-Pipe	Light and Medium Crude Oil (including solution gas and associated by-products)	491
	Heavy Oil (including solution gas and associated by-products)	-
	Natural Gas (including solution gas and associated by-products)	-
<b>Proved</b> Developed Non-Producing	Light and Medium Crude Oil (including solution gas and associated by-products)	1,939
	Heavy Oil (including solution gas and associated by-products)	-
	Natural Gas (including solution gas and associated by-products)	-
<b>Proved</b> Developed Shut-In	Light and Medium Crude Oil (including solution gas and associated by-products)	656
	Heavy Oil (including solution gas and associated by-products)	-
	Natural Gas (including solution gas and associated by-products)	2
<b>Proved</b> Undeveloped	Light and Medium Crude Oil (including solution gas and associated by-products)	7,856
	Heavy Oil (including solution gas and associated by-products)	-
	Natural Gas (including solution gas and associated by-products)	-
<b>Probable</b>	Light and Medium Crude Oil (including solution gas and associated by-products)	109
	Heavy Oil (including solution gas and associated by-products)	-
	Natural Gas (including solution gas and associated by-products)	-

***Pricing Assumptions – Forecast Prices and Costs***

Cawley employed the following pricing and inflation rate assumptions as of December 31, 2020 in estimating the reserves using forecast prices and costs. The forecast oil and gas prices are the Sproule price for crude oil and natural gas. Product sale prices will reflect these reference prices with further adjustments for quality, gravity, BTU, content, marketing, processing, and transportation to point of sale.

Year	WTI Cushing Oil Price \$US/BBL	Henry Hub Natural Gas Price \$US/MMBtu	Inflation Rate %/Yr
2021	46.00	3.00	2.00
2022	48.00	3.00	2.00
2023	53.00	3.00	2.00
2024	54.06	3.06	2.00
2025	55.14	3.12	2.00
2026	56.24	3.18	2.00
2027	57.37	3.25	2.00
2028	58.52	3.31	2.00
2029	59.69	3.38	2.00
2030	60.88	3.45	2.00
2031	62.10	3.51	2.00
Thereafter	Flat	Flat	Flat

### Reconciliation of Changes in Reserves

The following table set forth the reconciliation of Jericho Energy Ventures' gross reserves as of December 31, 2020.

Factors	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Natural Gas		
	WI Proved (Mbbl)	WI Probable (Mbbl)	WI Proved + Probable (Mbbl)	WI Proved (Mbbl)	WI Probable (Mbbl)	WI Proved + Probable (Mbbl)	WI Proved (MMcf)	WI Probable (MMcf)	WI Proved + Probable (MMcf)
<b>December 31, 2019</b>	<b>1,603</b>	<b>63</b>	<b>1,665</b>	-	-	-	<b>2,830</b>	<b>28</b>	<b>2,858</b>
Extensions and Improvements	-	-	-	-	-	-	-	-	-
Technical Revisions	128	-	128	-	-	-	(44)	-	(44)
Discoveries	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-
Economic Factors	(25)	(2)	(27)	-	-	-	(115)	(1)	(116)
Production	(46)	-	(46)	-	-	-	(130)	-	(130)
<b>December 31, 2020</b>	<b>1,660</b>	<b>60</b>	<b>1,720</b>	-	-	-	<b>2,541</b>	<b>27</b>	<b>2,568</b>

### Future Development Costs

The following table set out the future capital and abandonment costs deducted in the estimated of future net revenue attributable to proved reserves and proved plus probable reserves (using forecast prices and costs and undiscounted) as of December 31, 2020.

<b>Proved</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Remaining</b>	<b>Total</b>
<b><u>Capital Costs, M\$</u></b>							
<b>Undiscounted</b>	91	11,832	1,019	—	—	—	12,942
<b><u>Abandonment Costs, M\$</u></b>							
<b>Undiscounted</b>	—	1	1	1	—	29	32
<b><u>Proved &amp; Probable</u></b>							
<b><u>Capital Costs, M\$</u></b>							
<b>Undiscounted</b>	91	11,932	1,894	—	—	172	14,090
<b><u>Abandonment Costs, M\$</u></b>							
<b>Undiscounted</b>	—	1	1	1	—	32	35

***Production Estimates for 2021***

The following table discloses the volume of production for 2021 reflected in the estimates of the gross proved reserves and gross probable reserves and for certain fields that are estimated to be 20% or more of the forecast production.

	<b>Light and Medium Oil</b>		<b>Heavy Oil</b>		<b>Natural Gas (non-associated &amp; associated)</b>		<b>Natural Gas Liquids</b>	
	<b>WI (Mbbbl)</b>	<b>NRI Net (Mbbbl)</b>	<b>WI (Mbbbl)</b>	<b>NRI Net (Mbbbl)</b>	<b>WI (MMcf)</b>	<b>NRI Net (MMcf)</b>	<b>WI (Mbbbl)</b>	<b>NRI Net (Mbbbl)</b>
<b>Reserve Category</b>								
Cherry Rancher	0.0	0.2	-	-	0.0	6.1	0.0	0.1
Kansas	3.4	2.9	-	-	1.2	1.0	0.2	0.1
Lurgan	4.0	3.2	-	-	0.0	0.0	0.0	0.0
Morrison/Eagle Road	9.6	7.8	-	-	33.5	27.3	5.5	4.5
Jericho Buckmanville	33.6	26.2	-	-	17.8	17.0	18.3	14.4
Walnut	2.6	2.1	-	-	60.2	48.1	0.5	0.4
<b>Total Proved</b>	<b>53.1</b>	<b>42.4</b>	<b>-</b>	<b>-</b>	<b>112.7</b>	<b>99.5</b>	<b>24.4</b>	<b>19.5</b>
<b>Total Probable</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

***Wells***

Below is a table of total gross and net oil and gas wells as of December 31, 2020.

<b>December 31, 2020</b>	<b>Gross</b>	<b>Net</b>
Oil and Gas	263	108

**Costs Incurred**

The following costs were incurred during the year ended December 31, 2020:

Costs Incurred	2020
Acquisition	\$ 13,000
Development	1,192,000
Exploration	—
Total	\$ 1,205,000

**Production History**

The following table discloses on a quarterly basis for the year ended December 31, 2020, Jericho Energy Ventures' share of average gross daily light and medium crude oil, conventional natural gas and natural gas liquids production volume, the average prices received, royalties paid, production costs, and resulting field netbacks.

	2020				
	March 31	June 30	September 30	December 31	Total
<b>Average Daily Production</b>					
Light and Medium Oil (bbl/d)	141.02	119.71	124.82	120.65	126.53
Natural Gas (MMcf/d)	319.15	224.64	246.60	226.94	254.24
Natural Gas Liquids (bbl/d)	52.48	37.35	49.84	38.88	44.64
<b>Average Net Prices Received</b>					
Light and Medium Oil (\$/bbl)	41.58	21.36	36.18	37.85	34.59
Natural Gas (\$/MMcf)	0.99	0.83	1.25	1.72	1.18
Natural Gas Liquids (\$/bbl)	8.12	5.49	9.59	12.33	8.91
<b>Royalties</b>					
Light and Medium Oil (\$/bbl)	0.20	0.20	0.21	0.21	0.20
Natural Gas (\$/MMcf)	0.23	0.26	0.23	0.23	0.23
Natural Gas Liquids (\$/bbl)	0.21	0.22	0.21	0.21	0.21
<b>Production Costs</b>					
Light and Medium Oil (\$/bbl)	27.01	20.07	23.57	23.10	23.57
Natural Gas (\$/MMcf)	0.62	0.73	0.80	1.03	0.78
Natural Gas Liquids (\$/bbl)	5.15	5.01	6.21	7.54	5.99
<b>Netback Received</b>					
Light and Medium Oil (\$/bbl)	14.38	1.09	12.40	14.54	10.82
Natural Gas (\$/MMcf)	0.14	(0.15)	0.23	0.47	0.17
Natural Gas Liquids (\$/bbl)	2.75	0.26	3.16	4.58	2.70

**DIVIDENDS AND DISTRIBUTIONS**

The Company has not paid any dividends since its incorporation. Any determination to pay any future dividends will remain at the discretion of the Board and will be made based on the Company's financial condition and other factors deemed relevant by the Board. There are no restrictions that could prevent the Company from paying dividends or distributions.

## DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at May 31, 2021, there were 220,406,869 Common Shares outstanding. As at the date of this AIF, there were 220,406,869 Common Shares issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares:

The Company is authorized to issue an unlimited number of Common Shares. The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, entitled to one vote per share at meetings of the holders of Common Shares and, upon dissolution, entitled to share equally in such assets of the Company as are distributable to the holders of Common Shares.

## MARKET FOR SECURITIES

### Trading Price and Volume

Jericho's Common Shares are listed on the TSX-V under the symbol "JEV". The following table provides the price ranges and trading volume of the Common Shares as reported by the TSX-V for the periods indicated:

Month Ended	High (\$)	Low (\$)	Volume
May 2021	0.98	0.67	1,207,118
April 2021	1.01	0.85	1,736,069
March 2021	1.15	0.86	2,024,244
February 2021	1.22	0.58	5,595,072
January 2021	0.66	0.23	4,645,482
December 2020	0.285	0.145	759,420
November 2020	0.2	0.13	246,998
October 2020	0.2	0.13	186,645
September 2020	0.2	0.12	238,722
August 2020	0.135	0.1	164,000
July 2020	0.18	0.115	314,819
June 2020	0.23	0.13	456,515
May 2020	0.175	0.145	153,331
April 2020	0.205	0.13	427,869
March 2020	0.195	0.075	305,240
February 2020	0.205	0.15	192,673
January 2020	0.25	0.175	273,248

### Prior Sales

The following table provides details regarding all Common Shares or securities convertible into Common Shares that have been issued by the Corporation during the period from January 1, 2021 to the date of this AIF:

<b>Date</b>	<b>Type of Security</b>	<b>Type of Issuance</b>	<b>Number of Securities</b>	<b>Issue Price or Deemed Issue Price Per Security</b>
January 22, 2021	Common Shares	Options Grant	3,350,000	\$0.45
January 22, 2021	Common Shares	Options Grant	200,000	\$0.50
February 3, 2021	Common Shares	Warrant Exercise	1,000,000	\$0.13
February 4, 2021	Common Shares	Options Grant	500,000	\$0.60
February 8, 2021	Common Shares	Options Grant	215,000	\$0.65
February 17, 2021	Common Shares	Options Exercise	50,000	\$0.45
February 17, 2021	Common Shares	Options Exercise	200,000	\$0.15
February 18, 2021	Common Shares	Options Exercise	100,000	\$0.45
February 24, 2021	Common Shares	Warrant Exercise	509,735	\$0.13
March 30, 2021	Common Shares	Options Exercise	50,000	\$0.45
April 7, 2021	Common Shares	Acquisition Consideration	6,700,000	\$0.45
April 15, 2021	Common Shares	Options Grant	50,000	\$0.90
April 16, 2021	Common Shares	Option Exercise	200,000	\$0.45
April 23, 2021	Common Shares	Warrant Exercise	32,480,600	\$0.13
May 20, 2021	Common Shares	Options Grant	100,000	\$0.75

#### **ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

As at the date of this AIF, no securities were held in escrow or were subject to a contractual restriction on transfer.

#### **DIRECTORS AND OFFICERS**

The names, municipalities of residence, respective positions and offices held with JEV, the period served as a director and principal occupations of our directors and officers are set out below:

<b>Name, Province and Country of Residence and Position(s) with Jericho</b>	<b>Principal Occupation, Business or Employment for Last Five Years</b>	<b>Director or Officer Since</b>	<b>Number of Common Shares Owned<sup>(4)</sup></b>
Brian Williamson <sup>(1)</sup> Pennsylvania, USA <i>Chief Executive Officer and President</i>	CEO and President of the Company	May 24, 2017	2,825,623  (1.28%)
Allen Wilson <sup>(2)</sup> Scotland, United Kingdom <i>Director</i>	Marketing and Business Development Consultant. Former President of the Company until March 1, 2019	September 15, 2011	1,795,608  (<1%)
Nicholas W. Baxter <sup>(1)(2)(3)</sup> Scotland, United Kingdom <i>Director</i>	Self Employed Oil & Gas Project Consultant	September 15, 2011	935,000  (<1%)
Markus Seywerd <sup>(1)(2)(3)</sup> London, United Kingdom <i>Director</i>	Chief Invest <sup>TM</sup> ent Officer and Co-Founder of Park Lane Capital SIOVAC plc, a London based invest <sup>TM</sup> ent management firm	January 17, 2017	

Name, Province and Country of Residence and Position(s) with Jericho	Principal Occupation, Business or Employment for Last Five Years	Director or Officer Since	Number of Common Shares Owned <sup>(4)</sup>
Ben Holman Tulsa, USA <i>Chief Financial Officer and Secretary</i>	Chief Financial Officer and Secretary of the Company	June 30, 2018	Nil

Notes:

- (1) Member of Reserves Committee.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Based on 220,406,869 common shares issued and outstanding.

The current members of the Corporation's Audit Committee are Allen Wilson, Nicholas W. Baxter, and Markus Seywerd. Certain disclosures concerning the Audit Committee in accordance with the requirements of Form 52-110F2 of National Instrument 52-110 ("**NI 52-110**"), including the Audit Committee's Charter and disclosure concerning the financial literacy and independence of the Audit Committee members, are set out under the heading "Audit Committee and Relationship with Auditor".

As at the date of this AIF, our directors and officers, as a group, beneficially owned, or directed or controlled, directly or indirectly, 5,556,231 Common Shares or 2.52% of our issued and outstanding Common Shares based on X Common Shares issued and outstanding as at the date hereof on a non-diluted basis.

The term of office of all directors of JEV will expire at each annual meeting of Shareholders of JEV or at the time at which his successor is elected or appointed, or earlier if any director otherwise dies, resigns, is removed or is disqualified. Each director will devote the amount of time as is required to fulfill his obligations to JEV.

### **Corporate Cease Trade Orders or Bankruptcies**

To the best of Jericho management's knowledge, no director or proposed director of the Corporation is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any company, including the Corporation, that while that person was acting in that capacity:

- (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- (b) while that person was acting in that capacity, was subject to an event that resulted, after the Director or Executive Officer ceased to be a Director or Executive Officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Individual Bankruptcies**

None of the proposed nominees for Director have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

## **Conflicts of Interest**

To the best of Jericho's knowledge, there are no existing or potential conflicts of interest between Jericho and any director or officer of Jericho, except that: (i) certain of the directors of Jericho may serve as directors and officers of other public companies; (ii) one or more related parties of the Company actively manages multiple vehicles in the oil and gas space; and (iii) the Company engages one or more related parties to provide services including geological, drilling, development, and operating services, back-office services including payroll, administrative services, land regulatory and project management. It is therefore possible that a conflict may arise between their duties as a director or officer of Jericho and their duties as a director or officer of such other companies. Where such conflicts arise, directors are required to disclose their interests and refrain from voting on the transaction. In appropriate cases, Jericho will establish a special committee of independent non-executive directors to review a matter in which one or more directors or management may have a conflict.

## **AUDIT COMMITTEE**

As a TSX-V issuer, the Company is required to have an audit committee (the "**Committee**") comprised of not less than three directors, a majority of whom are not officers, control persons or employees of Jericho or an affiliate of Jericho. Jericho's current Audit Committee consists of Allen Wilson, Nicholas W. Baxter and Markus Seywerd.

### *Audit Committee Charter*

The Company has adopted a charter of the Committee, which is attached as Schedule "A" to this AIF.

### *Composition of Audit Committee and Independence*

The following are the members of the audit committee:

Allen Wilson	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Nicholas W. Baxter	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Markus Seywerd	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>

(1) As defined under National Instrument 52-110 Audit Committees

### *Relevant Education and Experience*

For the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member, please see the section entitled "Directors and Officers" in this AIF.

### *Audit Committee Oversight*

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

### *Reliance on Certain Exemptions*

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

*Pre-Approval Policies and Procedures*

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter which is reproduced in Schedule “A” to this AIF.

*Audit Fees*

Fees incurred by Manning Elliot, auditors of Jericho, for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended December 31, 2020</b>	<b>Fees Paid to Auditor in Year Ended December 31, 2019</b>
Audit Fees <sup>(1)</sup>	\$125,000	\$125,000
Audit-Related Fees <sup>(2)</sup>	\$5,474	\$2,158
Tax Fees <sup>(3)</sup>	\$5,250	\$5,250
All Other Fees <sup>(4)</sup>	Nil	Nil
<b>Total</b>	<b>\$135,724</b>	<b>\$132,408</b>

Notes:

(1) "Audit Fees" (billed or accrued) include fees necessary to perform the annual audit of Jericho's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" (billed or accrued) include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" (billed or accrued) include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

*Exemption in Section 6.1*

Jericho is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in Section 6.1 of NI 52-110 relating to Parts 5 (*Reporting Obligations*).

**LEGAL PROCEEDINGS AND REGULATORY**

Other than as disclosed below, management of Jericho is not aware of any existing or contemplated legal proceedings material to the Company, to which Jericho Energy Ventures is, or during the financial year ended December 31, 2020 was, a party or of which any of its property is, or during the financial year ended December 31, 2020 was subject.

The Company reported that in November 2016, Eagle Road Oil, LLC (Eagle Road), a joint venture entity in which its U.S subsidiary Jericho Oil Oklahoma Corp, owns a 50% interest, was named as one of 27 defendants in a class action petition filed in the district court of Pawnee County Oklahoma. The petition alleges that the named oil and gas companies caused man-made earthquakes through the disposal of fracking wastewater. No specific damage amount is alleged in the action. Eagle Road carries industry standard insurance for operational, general and environmental liabilities. Eagle Road conducts its operations in accordance with industry standard practices and adheres to state guidelines and regulations.

Eagle Road filed a motion to dismiss the case. The motion was heard on July 7, 2017. The motion was sustained in part and denied in part. The claim for ultra-hazardous activity was dismissed and the motion was denied as to the remaining claims. The court required the plaintiffs amend the petition with the photographs removed. Plaintiff' s refiled their complaint with the ultra-hazardous activity claim replead as requested by the Court. The Court has ordered Plaintiff' s to present evidence to the Court to attempt to establish an ultra-hazardous liability claim on August 23, 2018. This hearing has since been postponed as additional defendants are being added to the case. The

Judge in Pawnee County District Court has stated a hearing will be conducted to determine whether plaintiffs may pursue an ultrahazardous activity claim against Eagle Road and other defendants.

Management of Jericho is not aware of any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2020 or any other penalties or sanctions imposed by a court or regulatory body against Jericho Energy Ventures that would likely be considered important to a reasonable investor in making an investment decision.

### **INTEREST OF MANAGEMENT**

No director or executive officer of the Corporation or a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of voting securities of the Corporation, or any associate or affiliate of any such person, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

### **TRANSFER AGENTS AND REGISTRAR**

The auditors of Jericho Energy Ventures are Manning Elliot, 17<sup>th</sup> floor, 1030 West Georgia St., Vancouver, BC, Canada V6E 2Y3.

The registrar and transfer agent of Jericho Energy Ventures is Computershare Investor Services Inc., 100 University Ave., 11<sup>TH</sup> floor, South Tower, Toronto, ON M5J 2Y1.

### **MATERIAL CONTRACTS**

With the exception of agreements entered into in the normal course of business, there are no material contracts that have been entered into by JEV within the last financial year, or before the last financial year which are still in effect.

Copies of the Company's material contracts have been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and may be viewed at the offices of Jericho's solicitors during normal business hours at Suite 409 – 221 W. Esplanade, North Vancouver, British Columbia V7M 3J3.

### **INTEREST OF EXPERTS**

Manning Elliot, Jericho's independent auditors, have audited the Company's consolidated financial statements for the years ended December 31, 2020 and 2019. As of the date hereof, Manning Elliot has confirmed they are independent with respect to Jericho Energy Ventures within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

The Statement, which is incorporated by reference into this AIF, was evaluated by Cawley, Gillespie & Associates, Inc., an independent qualified reserves evaluator as defined under NI 51-101.

To Jericho's knowledge, none of the foregoing experts held any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or any of its associates or affiliates, and no securities or other property of the Company or any of its associates or affiliates were subsequently received or are to be received by such experts.

### **FORWARD-LOOKING STATEMENTS**

This AIF contains certain forward-looking information and forward-looking statements (collectively, the "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are frequently characterized

by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking statements in this AIF include, but are not limited to, statements with respect to JEV's oil and gas assets and its hydrogen energy technology.

These forward-looking statements are based on management's current expectations and involve a number of risks and uncertainties, including, among other things:

- the impact of COVID-19 on us and the capital markets and global economic climate generally;
- our recognition of any asset impairments as a result of any decline in the value of our assets or our efforts to dispose of any assets in the future;
- general economic and business conditions;
- our ability to perform contracts on time and on budget, in accordance with the schedules and terms established by the applicable contracts with customers;
- failure by third-party subcontractors, partners or suppliers to perform their obligations on time and as specified;
- our ability to successfully resolve claims by vendors for goods and services provided and claims by customers for items under warranty;
- our ability to successfully address productivity and schedule issues in our Hydrogen Technology segment, including the ability to complete our domestic and international projects within the expected time frame and the estimated costs;
- our ability to successfully partner with third parties to win and execute contracts within our Hydrogen Technology segment;
- our ability to successfully manage research and development projects and costs, including our efforts to successfully develop and commercialize new technologies and products;
- the operating risks normally incident to our lines of business, including professional liability, product liability, warranty and other claims against us;
- difficulties we may encounter in obtaining regulatory or other necessary permits or approvals;
- the strength and financial resources of our competitors;
- availability of supplies (including the uncertainties inherent in assessing, estimating, acquiring and developing future natural gas and oil reserves), market demand, volatility of prices and the availability and cost of capital;
- development of alternative energy sources;
- the impact of operational and development hazards;
- our ability to successfully compete with current and future competitors;
- social, political, competitive and economic situations in foreign countries where we do business or seek new business;
- risks associated with future weather conditions;
- acts of terrorism;
- other factors described in *Risk Factors* section of this AIF.

Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Some of the risks and other factors could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States and globally; industry conditions, including fluctuations in commodity prices; governmental regulation of emissions and/or the oil and gas industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition; the availability of capital on acceptable terms; the need to obtain required approvals from regulatory authorities; stock market volatility; volatility in market prices for commodities; liabilities inherent in oil and gas exploration, development and production operations; changes in tax laws and incentive programs relating to the oil and gas exploration industry; and the other factors described in our public filings available at [www.sedar.com](http://www.sedar.com). Readers are cautioned that this list of risk factors should not be construed as exhaustive. Although JEV believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not

guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Other than as required under applicable securities laws, JEV does not assume a duty to update these forward-looking statements. For more information on JEV, Investors should review JEV's filings that are available at [www.sedar.com](http://www.sedar.com).

Information and facts included in this presentation have been obtained from publicly available and published sources and where appropriate those sources have been cited in this presentation. JEV does not assume a duty to independently verify publicly available and published sources of information provided by arms length third parties.

**Many of the foregoing risk factors, other than specific risks, uncertainties and material assumptions are discussed in further detail throughout the AIF and in the Corporation's management's discussion and analysis for the year ended December 31, 2020 which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Readers are specifically referred to the risk factors described in the AIF under "*Risk Factors*" and in other documents the Corporation files from time to time with securities regulatory authorities. Copies of these documents are available without charge from the Corporation or electronically on the internet on Jericho's SEDAR profile at [www.sedar.com](http://www.sedar.com).**

### **ADDITIONAL INFORMATION**

Additional information regarding the Company may be found under the Company's profile on SEDAR. Additional financial information is provided in the Company's audited consolidated financial statements for its financial year ended December 31, 2020, together with the accompanying auditors' report and management's discussion & analysis filed on SEDAR.

**SCHEDULE "A"**  
Audit Committee Charter

**Charter of the Audit Committee**

**1. Mandate**

The Audit Committee will be responsible for managing, on behalf of shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee will have responsibility for the matters set out in this Charter, which include:

- (a) overseeing the work of external auditors engaged for the purpose of preparing or issuing an auditing report or related work;
- (b) recommending to the board of directors the nomination and compensation of the external auditors;
- (c) reviewing significant accounting and reporting issues;
- (d) reviewing the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
- (e) focusing on judgmental areas such as those involving valuations of assets and liabilities;
- (f) considering management's handling of proposed audit adjustments identified by external auditors;
- (g) being satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements of the Corporation;
- (h) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (i) evaluating whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities.

**2. Membership of the Audit Committee**

Composition

The audit committee will be comprised of at least such number of directors as required to satisfy the audit committee composition requirements of National Instrument 52-110, as amended from time to time. Each member will be a director of the Corporation.

Independence

The Audit Committee will be comprised of a number of independent directors required to enable the Corporation to satisfy:

- (a) the independent director requirements for audit committee composition required by National Instrument 52-110, as amended from time to time, and
- (b) the independent director requirements of the TSX Venture Exchange, or such other stock exchange on which the Corporation's shares are traded from time to time.

Chair

The Audit Committee shall select from its membership a chair. The job description of the chair is attached as Exhibit 1 hereto.

Expertise of Audit Committee Members

Each member of the Audit Committee must be financially literate. Financially literate means the ability to read and understand a set of financial statements that represent a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### Financial Expert

The Corporation will strive to include a financial expert on the Audit Committee. An Audit Committee financial expert means a person having: (i) an understanding of financial statements and accounting principles; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a similar breadth and level of complexity as the Corporation's statements; (iv) an understanding of internal controls; and (v) an understanding of an Audit Committee's functions.

### **3. Meetings of the Audit Committee**

The Audit Committee must meet in accordance with a schedule established each year by the board of directors, and at other times as the Audit Committee may determine. A quorum for transaction of business in any meeting of the Audit Committee is a majority of members. At least twice a year, the Audit Committee must meet with the Corporation's chief financial officer and external auditors separately.

### **4. Responsibilities of the Audit Committee**

The Audit Committee will be responsible for managing, on behalf of the shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee has the following responsibilities:

#### External Auditors

- (a) the Audit Committee must recommend to the board of directors:
  - (i) the external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit or review services for the Corporation; and
  - (ii) the compensation of the external auditors;
- (b) the Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) with respect to non-audit services:
  - (i) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except for tax planning and transaction support services in an amount not to exceed \$15,000 for each service in a fiscal year; and
  - (ii) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except *de minimis* non-audit services as defined in applicable law.
- (d) the Audit Committee must also:
  - (i) review the auditors' proposed audit scope and approach;
  - (ii) review the performance of the auditors; and
  - (iii) review and confirm the independence of the auditors by obtaining statements from the auditors on relationships between the auditors and the Corporation, including non-audit services, and discussing the relationships with the auditors;

#### Accounting Issues

- (e) the Audit Committee must:
  - (i) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and,

- (ii) ask management and the external auditors about significant risks and exposures and plans to minimize such risks.

Financial Statements, MD&A and Press Releases

- (f) the Audit Committee must:
  - (i) review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;
  - (ii) in reviewing the annual financial statements, determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles;
  - (iii) pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
  - (iv) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses, warranty, professional liability, litigation reserves and other commitments and contingencies;
  - (v) consider management's handling of proposed audit adjustments identified by the external auditors;
  - (vi) ensure that the external auditors communicate certain required matters to the committee;
  - (vii) be satisfied that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure referred to in paragraph (f)(i) (above), and must periodically assess the adequacy of those procedures;
  - (viii) be briefed on how management develops and summarizes quarterly financial information, the extent to which the external auditors review quarterly financial information and whether that review is performed on a pre- or post-issuance basis;
  - (ix) meet with management, either telephonically or in person to review the interim financial statements;
  - (x) to gain insight into the fairness of the interim statements and disclosures, the Audit Committee must obtain explanations from management on whether:
    - a. actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
    - b. changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;
    - c. generally accepted accounting principles have been consistently applied;
    - d. there are any actual or proposed changes in accounting or financial reporting practices;
    - e. there are any significant or unusual events or transactions;
    - f. the Corporation's financial and operating controls are functioning effectively;
    - g. the Corporation has complied with the terms of loan agreements or security indentures; and
    - h. the interim financial statements contain adequate and appropriate disclosures;

Compliance with Laws and Regulations

- (g) the Audit Committee must:
  - (i) periodically obtain updates from management regarding compliance;
  - (ii) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;

- (iii) review the findings of any examinations by regulatory agencies such as the Ontario Securities Commission; and
- (iv) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements;

#### Employee Complaints

- (h) the Audit Committee must establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

#### Other Responsibilities

- (i) the Audit Committee must:
  - (i) review and approve the Corporation's hiring policies of employees and former employees of the present and former external auditors of the Corporation;
  - (ii) evaluate whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
  - (iii) focus on the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;
  - (iv) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;
  - (v) periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the Corporate Governance and the board for approval;
  - (vi) review, and if deemed appropriate, approve expense reimbursement requests that are submitted by the chief executive officer or the chief financial officer to the Corporation for payment;
  - (vii) assist the board to identify the principal risks of the Corporation's business and, with management, establish systems and procedures to ensure that these risks are monitored; and
  - (viii) carry out other duties or responsibilities expressly delegated to the Audit Committee by the board.

#### **5. Authority of the Audit Committee**

The Audit Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

**Exhibit 1 to Audit Committee Charter**

**JERICO ENERGY VENTURES INC.  
(the "Corporation")**

**Job Description – Audit Committee Chair**

The responsibilities of the Audit Committee chair include, among other things:

- (a) managing the affairs of the Committee and monitoring its effectiveness;
- (b) managing the meetings of the Committee by ensuring meaningful agendas are prepared and guiding deliberations of the Committee so that appropriate decisions and recommendations are made; and
- (c) setting up agendas for meetings of the Committee and ensuring that all matters delegated to the Committee by the board are being dealt with at the Committee level during the course of the year.