

**FORM 2B  
LISTING APPLICATION**



**LOGAN**  
ENERGY CORP.

**APPLICATION FOR THE LISTING OF COMMON SHARES  
IN THE CAPITAL OF LOGAN ENERGY CORP.**

*No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application*

**July 12, 2023**

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## Forward-Looking Statements

Certain statements contained herein may constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "objectives", "strategies", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Logan believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Listing Application should not be unduly relied upon. In particular, forward-looking statements may relate to the following:

- the performance characteristics of the Logan Assets;
- the anticipated production of the Logan Assets, including oil, NGL and natural gas production levels;
- the listing of the Logan Shares on the TSXV and timing thereof;
- the exercise of Logan Transaction Warrants distributed to Spartan Shareholders pursuant to the Distribution and anticipated proceeds therefrom;
- the use of the capital raised pursuant to the Logan Financing;
- the size of the oil and natural gas reserves;
- projections of market prices and costs;
- cash available for funding of capital expenditures;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions and development;
- drilling plans;
- tax horizons;
- timing of development of undeveloped reserves;
- treatment under governmental regulatory regimes and tax laws;
- capital expenditure programs;
- the proposed compensation of the executive officers and directors of Logan moving forward;
- corporate governance matters relating to Logan;
- the business strategy and business plans of Logan; and
- the business strengths of Logan, including significant well performance, extensive low-risk drilling inventory with recompletion and enhanced recovery opportunities and a conservative financial structure with no initial indebtedness.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere herein:

- volatility in market prices for oil and natural gas;
- lack of transportation and inability to produce oil and natural gas reserves and resources;
- adverse regulatory rulings, orders and decisions;
- liabilities inherent in oil and gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- geological, technical, drilling and processing problems and other problems in producing reserves and resources;
- the failure to realize the anticipated benefits of the Logan Assets;
- the future market price for the Logan Shares, including the effect that the issuance of additional securities by Logan could have on such market price;

- fluctuations in foreign exchange or interest rates and stock market volatility;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- stock market volatility and market valuations;
- inflationary cost pressures, including third party inability to manage such pressures;
- the impact of climate change and climate change regulations;
- possible renegotiation and replacement of international trade agreements;
- the risks of the oil and natural gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- the failure to obtain industry partner and other third-party consents and approvals, as and when required;
- the availability of capital on acceptable terms;
- actions by governmental or regulatory authorities including changes in income tax laws or changes in tax laws and incentive programs relating to the oil and natural gas industry;
- changes in income tax laws or changes in tax laws or trade laws and incentive programs relating to the oil and natural gas industry;
- global or national health concerns, including the outbreak of pandemic or contagious diseases; and
- other factors discussed under "*Risk Factors*".

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Listing Application are expressly qualified by this cautionary statement.

Although the forward-looking statements contained herein are based upon assumptions which Logan believes to be reasonable, Logan cannot assure that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements, Logan has made assumptions regarding: the intended use of available funds; Logan's ability to assume Spartan's role with respect to the Logan Assets; future commodity prices and royalty regimes; tax laws; availability of skilled labour and services; timing and amount of capital expenditures; future exchange rates; the impact of increasing competition; general conditions in economic and financial markets; availability of drilling and related equipment; future well production rates; the performance of existing wells; the success of drilling new wells; effects of regulation by governmental agencies; royalty rates and future operating costs.

Logan has included the above summary of assumptions and risks related to forward- looking information in order to provide purchasers with a more complete perspective on Logan's future operations and such information may not be appropriate for other purposes. Logan's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Logan will derive therefrom. These forward-looking statements are made as of the date hereof and Logan disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by Applicable Canadian Securities Laws.

## **Advisory Regarding Oil and Gas Information**

### *General*

The reserves information contained in this Listing Application has been prepared in accordance with NI 51-101 (as defined herein). Listed below are cautionary statement(s) that are specifically required by NI 51-101 that qualify the oil and gas disclosure contained in this Listing Application.

The terms "boe" and "mcf" may be misleading, particularly if used in isolation. A boe conversion rate of six thousand cubic feet of natural gas per barrel of oil (6 mcf:1 bbl) and an mcf conversion rate of one barrel of oil per six thousand cubic feet of natural gas (1 bbl:6 mcf) are each based on an energy equivalency conversion method primarily applicable at the burner tip and do not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from an energy equivalency of 6:1, utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

## **Reserves**

The discounted and undiscounted net present value of future net revenues attributable to the reserves of Logan do not represent the fair market value of such reserves. There is no assurance that the forecast prices and cost assumptions applied by the independent reserves evaluators in evaluating the reserves of Logan will be attained and variances could be material. The estimates of light and medium crude oil, NGL, conventional natural gas and shale gas reserves provided in this Listing Application are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light and medium crude oil, NGLs, conventional natural gas and shale gas reserves may be greater than or less than the estimates provided in this Listing Application or otherwise referred to in this Listing Application, and the difference may be material.

The determination of reserves involves the preparation of estimates that have an inherent degree of associated risk and uncertainty. The estimation and classification of reserves is a complex process involving the application of professional judgment combined with geological and engineering knowledge to assess whether specific 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. In addition, rules set forth in the COGE Handbook and NI 51-101 override professional judgments as to volumes of recovery, well productivity and other factors.

The estimates of reserves of Logan provided in this Listing Application are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. Actual oil, NGLs and natural gas reserves and resources may be greater than or less than the estimates provided in this prospectus, and the difference may be material. The estimates of reserves and future net revenue for individual properties in this Listing Application may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

The information set forth in this Listing Application relating to the reserves of Logan and related future net revenues constitutes forward-looking statements which are subject to certain risks and uncertainties. See "*Forward-Looking Statements*" and "*Item 21: Risk Factors*" in this Listing Application.

Reserves are classified as proved reserves, probable reserves and possible reserves according to the certainty associated with the estimates. Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories. See below under "*Selected Oil and Gas Terms*" for definitions of the foregoing terms and other oil and natural gas terms used in this Listing Application. Additional clarification of the classification of reserves, the certainty levels associated with reserves estimates and the effect of aggregation are provided in COGE Handbook.

The qualitative certainty levels referred to in the definitions set forth in "*Selected Oil and Gas Terms*" in this Listing Application below are applicable to individual reserves entries (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves;

- at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- at least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

### ***Selected Oil and Gas Terms***

In this Listing Application, unless otherwise indicated or the context otherwise requires, the following terms have the meaning set forth below. These definitions are generally as set forth in the COGE Handbook and NI 51-101 and are reproduced below for the convenience of the reader.

The determination of oil, NGLs 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.

**"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.

**"Probable"** or **"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.

**"Proved"** or **"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.

**"Reserves"** or **"reserves"** are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, 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.

**"Development Costs"** means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil, NGLs and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill, complete and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

**"Development Well"** means a well drilled inside the established limits of an oil or natural gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

**"Exploration Costs"** means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment, facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical and other crews conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling, completing and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

**"Exploratory Well"** means a well that is not a development well, a service well or a stratigraphic test well.

**"Future Net Revenue"** means a forecast of revenue, estimated using forecast prices and costs or constant prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs and abandonment and reclamation costs.

**"Gross"** means:

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

**"Net"** means:

- (a) in relation to the company'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 company's interest in wells, the number of wells obtained by aggregating the company's working interest in each of its gross wells; and
- (c) in relation to the company's interest in a property, the total area in which the company has an interest multiplied by the working interest owned by the company.

**"Service Well"** means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, saltwater disposal, water supply for injection, observation or injection for combustion.

**"Abandonment and Reclamation Costs"** represent all costs associated with the process of restoring a company's well sites with booked reserves which have been disturbed by oil and gas activities, existing and to be incurred, to a standard imposed by applicable government or regulatory authorities.

The information set forth in this Listing Application relating to Logan's reserves and future net revenues, respectively, constitutes forward-looking statements which are subject to certain risks and uncertainties. See "*Forward-Looking Statements*" and "*Item 21: Risk Factors*" in this Listing Application.

### **Selected Abbreviations**

#### **Oil and Natural Gas Liquids**

bbl	Barrel
bbls	Barrels
Mbbl	thousand barrels
bbl/d	barrels per day
NGL(s)	natural gas liquid(s)

#### **Natural Gas**

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMbtu	million British Thermal Units

#### **Other**

AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System;
BOE	barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
BOE/d	barrel of oil equivalent per day
m <sup>3</sup>	cubic metres

Mcf	means 1,000 cubic feet equivalent on the basis of one bbl of crude oil for six Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
MBOE	1,000 barrels of oil equivalent
M\$	thousands of dollars

### **Selected Conversions**

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	cubic meters	28.320
cubic meters	cubic feet	35.315
Bbls	cubic meters	0.159
cubic meters	bbls	6.290
Feet	metres	0.305
Meters	feet	3.281
Miles	kilometres	1.609
Kilometres	miles	0.621
Acres	hectares	0.405
Hectares	acres	2.471

### **Non-GAAP Measures**

This Listing Application uses and refers to the terms "Average Realized Prices", "Operating Income", "Operating Netback", "Funds from Operations", and "Adjusted Funds Flow", which are financial measures commonly used in the oil and gas industry, which do not have standardized meanings prescribed by IFRS or GAAP and therefore should not be considered in isolation. The reported amounts and their underlying calculations are not necessarily comparable or calculated in an identical manner to a similarly titled measure of other companies where similar terminology is used. Where this measure is used, it should be given careful consideration by the reader. This measure has been described and presented in this Listing Application in order to provide readers with additional information regarding the applicable entity's liquidity and its ability to generate funds to finance its operations.

### **ITEM 2: GLOSSARY**

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*Unless the context otherwise requires or where otherwise provided, the following words and terms will have the meanings set forth below in this Listing Application. Any capitalized term used herein not otherwise defined shall have the same meaning as ascribed in the TSXV Corporate Finance Manual, NI 41-101 or in Form 41-101F1 (as such terms are defined herein). In the event of a conflict between a term defined in this Glossary and a term defined in the TSXV Corporate Finance Manual, the TSXV Corporate Finance Manual will govern.*

**ABCA** means the *Business Corporations Act* (Alberta), as amended from time to time.

**Applicable Canadian Securities Laws** means, in any context that refers to one or more Persons, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, notices, blanket orders and policies published and/or promulgated thereunder, as such may be amended from time to time, that apply to such Person or Persons or such Person's business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or such Person's

	business, undertaking, property or securities.
<b>Asset Sale</b>	means the sale of Spartan's Gold Creek and Karr Montney Assets from Spartan to Crescent Point Resources Partnership which was completed on May 10, 2023.
<b>BC Minors</b>	legacy production in the Noel area of British Columbia.
<b>Cash Proceeds</b>	means \$9.50 in cash per Spartan Share.
<b>COGE Handbook</b>	means the most recent publication of the Canadian Oil and Gas Evaluation Handbook.
<b>Conveyance Agreement</b>	means the agreement to be entered into between Spartan and Logan, effecting, among other things, the conveyance of the Logan Assets from Spartan to Logan.
<b>Distribution</b>	means the distribution of \$9.50 per Spartan Share, one (1) Logan Share per Spartan Share, and one (1) Logan Transaction Warrant per Spartan Share that each eligible Spartan Shareholder was entitled to as a return of capital and special dividend in connection with the Spin-Out and the Asset Sale.
<b>Form 41-101F1</b>	means Form 41-101F1 – <i>Information Required in a Prospectus</i> .
<b>Logan</b>	means Logan Energy Corp., a corporation incorporated under the ABCA.
<b>Logan Assets</b>	means the assets acquired by Logan from Spartan pursuant to the Conveyance Agreement, comprising of 4,000 <sup>1</sup> boe/d of production in the Pouce Coupe and Simonette areas of north-west Alberta, 500 <sup>2</sup> boe/d of legacy north-east British Columbia production and 55,769 net undeveloped acres in the Flatrock area of north-east British Columbia.
<b>Logan Board</b>	means the board of directors of Logan.
<b>Logan Financing</b>	means the non-brokered private placement of Logan Shares and Logan Units at a subscription price of \$0.35 per Logan Share or Logan Unit, as applicable, for aggregate gross proceeds of approximately \$48.5 million.
<b>Logan Financing Warrants</b>	means the Logan Share purchase warrants issued pursuant to the Logan Units subscribed for under the Logan Financing, each Logan Financing Warrant entitling the holder thereof to purchase one (1) Logan Share at an exercise price of \$0.35 for a period of five years from the date of issuance of such Logan Financing Warrants.
<b>Logan Insider Shareholders</b>	means the Logan Board, the Logan management team and certain additional subscribers for Logan Units under the Logan Financing.

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<sup>1</sup> Forecasted production for June 2023 of 4,000 BOE/d consisting of 18,151 mcf/d, 162 bbl/d of NGLs, 200 bbl/d of condensate and 613 bbl/d of oil.

<sup>2</sup> Forecasted production for June 2023 of 500 BOE/d consisting of 2,555 mcf/d of gas, 71 bbl/d of NGLs and 3 bbl/d of condensate.

<b>Logan Preferred Shares</b>	means the preferred shares in the capital of Logan.
<b>Logan Report</b>	means the report prepared by McDaniel dated March 14, 2023 and effective as of March 1, 2023, evaluating the crude oil, natural gas and natural gas liquids reserves attributable to the Logan Assets.
<b>Logan Shares</b>	means the common shares in the capital of Logan.
<b>Logan Transaction Warrants</b>	means Logan Share purchase warrants issued in connection with the Spin-Out, which warrants shall were distributed to eligible Spartan Shareholders pursuant to the Distribution, each Logan Transaction Warrant being non-transferrable and entitling the holder thereof to acquire one (1) Logan Share at an exercise price equal to \$0.35 per Logan Share at any time on or before the close of business on July 31, 2023 in accordance with the terms and conditions of the Warrant Indenture.
<b>Logan Units</b>	means units of Logan issued to subscribers that are Logan Insider Shareholders pursuant to the Logan Financing, each Logan Unit comprising of one (1) Logan Share and one (1) Logan Financing Warrant.
<b>McDaniel</b>	means McDaniel & Associates Consultants Ltd., independent qualified reserves evaluator.
<b>MI 61-101</b>	means Multilateral Instrument 61-101 – <i>Protection of Minority Security Holders in Special Transactions</i> .
<b>NI 41-101</b>	means National Instrument 41-101 – <i>General Prospectus Requirements</i> .
<b>NI 51-101</b>	means National Instrument 51-101 – <i>Standards of Disclosure for Oil and Gas Activities</i> .
<b>NI 51-102</b>	means National Instrument 51-102 – <i>Continuous Disclosure Obligations</i> .
<b>NI 52-107</b>	means National Instrument 52-107 - <i>Acceptable Accounting Principles and Auditing Standards</i> .
<b>NI 52-110</b>	means National Instrument 52-110 – <i>Audit Committees</i> .
<b>NI 58-101</b>	means National Instrument 58-101 – <i>Disclosure of Corporate Governance Practices</i> .
<b>Odyssey</b>	means Odyssey Trust Company.
<b>Option Plan</b>	means the stock option plan of Logan, a copy of which is attached to the Spartan Circular as Appendix "B", as adopted by the Logan Board on April 14, 2023 and confirmed by Spartan Shareholders at the Spartan Meeting.
<b>Options</b>	means stock options to purchase Logan Shares pursuant to the Option Plan.
<b>Share Award Incentive Plan</b>	means the share award incentive plan of Logan, a copy of which is attached to the Spartan Circular as Appendix "C", as adopted by the Logan Board on April 14, 2023 and confirmed by Spartan Shareholders at the Spartan Meeting.

<b>Share Awards</b>	means share awards issuable pursuant to the Share Award Incentive Plan.
<b>Spartan</b>	means Spartan Delta Corp., a corporation formed under the laws of the Province of Alberta.
<b>Spartan Circular</b>	means the management information circular of Spartan dated April 14, 2023, including all appendices thereto.
<b>Spartan Meeting</b>	means the annual general and special meeting of Spartan Shareholders held on May 16, 2023, or any adjournment or adjournments thereof.
<b>Spartan Shareholders</b>	means the holders of Spartan Shares from time to time.
<b>Spartan Shares</b>	means the common shares in the capital of Spartan.
<b>Spin-Out</b>	means the transfer by Spartan of the Logan Assets to Logan pursuant to the Conveyance Agreement completed on June 20, 2023.
<b>TSX</b>	means the Toronto Stock Exchange.
<b>TSXV or Exchange</b>	means the TSX Venture Exchange.
<b>United States or U.S.</b>	means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
<b>Warrant Indenture</b>	means the warrant indenture governing Logan Transaction Warrants dated June 20, 2023 between Logan and Odyssey, in its capacity as warrant agent.

### **ITEM 3: SUMMARY**

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*The following is a summary of the information relating to Logan and should be read together with the more detailed information, financial data and reserves data contained elsewhere in this Listing Application.*

**Logan:** Logan was incorporated pursuant to the ABCA on March 10, 2023 as "2499938 Alberta Ltd.", as a wholly owned subsidiary of Spartan. Logan was incorporated for the purpose of oil and natural gas production, exploration and acquisition, focused in the Pouce Coupe and Simonette areas of north-west Alberta of the Montney resource trend, and in the Flatrock area of north-east British Columbia. On March 22, 2023, Logan filed Articles of Amendment changing its name to "Logan Energy Corp." from "2499938 Alberta Ltd.". Logan does not have any subsidiaries.

Please see *"Item 4: Corporate Structure"*.

**Business of Logan:** Logan was incorporated for the purposes of participating in the Spin-Out and has not carried on any active business other than as discussed in this Listing Application. Pursuant to the Spin-Out and the Conveyance Agreement, on June 20, 2023, Spartan transferred the Logan Assets to Logan. The Logan Assets comprise of 4,000 boe/d of production in the Pouce Coupe and Simonette areas of north-west Alberta, 500 boe/d of legacy north-east British Columbia production and 55,769 net undeveloped acres in the Flatrock area of north-east British Columbia.

Please see "*Item 5: Description of Business*" and "*Item 33: Significant Acquisitions*".

**Description of Securities to be Listed:**

Logan is authorized to issue an unlimited number of Logan Shares, and an unlimited number of Logan Preferred Shares in the capital of Logan, issuable in series.

The holders of Logan Shares are entitled to dividends if, as and when declared by the Logan Board, to vote at any meetings of the holders of Logan Shares and upon liquidation, dissolution or winding up of Logan, to receive the remaining property and assets of Logan. All of the Logan Shares outstanding are fully paid and non-assessable.

Logan: (i) has applied to have the Logan Shares listed and posted for trading on the TSXV under the symbol "LGN"; (ii) anticipates meeting the TSXV's initial listing requirements of a Tier 1 Issuer and expects to be listed as such; (iii) notes that the listing of the Logan Shares is subject to Logan fulfilling all of the TSXV's minimum listing requirements and obtaining the TSXV's approval for such listing; and (iv) notes there can be no assurance that the TSXV will grant approval of the listing of the Logan Shares.

Please see "*Item 10: Description of Securities to be Listed*".

**Directors and Officers:**

The Logan Board of Directors is composed of: Fotis Kalantzis (Chair), Geri Greenall, Reginald Greenslade, Donald Archibald, Pat Ward and Ron Hozjan.

The executive officers of Logan are: Richard (Rick) McHardy as President and Chief Executive Officer; Brendan Paton as Vice-President, Engineering and Chief Operating Officer; Ashley Hohm as Vice-President, Finance and Chief Financial Officer; and Craig Martin as Vice President, Operations.

Please see "*Item 16: Directors and Executive Officers*".

**Recent Transactions:**

On May 10, 2023, Spartan completed the Asset Sale.

On June 20, 2023, Spartan and Logan completed the Spin-Out pursuant to the terms of the Conveyance Agreement which provided for the transfer of the Logan Assets from Spartan to Logan. The Logan Assets are exploration assets that Logan believes to have a significant potential upside based on recent drilling in the area. The Logan Assets are focused in the prolific Montney gas resource trend of northwest Alberta and northeast British Columbia predominantly in the Pouce Coupe, Simonette and Flatrock areas, as well as legacy production in the BC Minors. The purchase consideration paid by Logan to Spartan for the Logan Assets was equal to the fair market value thereof, in the aggregate amount of \$60,620,469.35, which was satisfied by the issuance by Logan to Spartan of the Logan Shares and the Logan Transaction Warrants, which securities Spartan distributed to eligible Spartan Shareholders pursuant to the Distribution.

Each eligible Spartan Shareholder received their entitlement to the Distribution as a return of capital and special dividend, such entitlement comprising of: \$9.50 per Spartan Share; one (1) Logan Share per Spartan Share; and one (1) Logan Transaction Warrant per Spartan Share. Accordingly, prior to giving effect to the Logan Financing, Logan had 173.2 million Logan Shares and 173.2 million Logan Transaction Warrants issued and outstanding.

Pursuant to the Logan Financing, an additional 74.3 million Logan Shares and 64.3

million Logan Units were issued at a subscription price of \$0.35 per Logan Share or Logan Unit, for aggregate gross proceeds of approximately \$48.5 million. Logan Units were issued to subscribers that are Logan Insider Shareholders. Logan Shares were issued to all other subscribers.

Each Logan Unit consisted of one (1) Logan Share and one (1) Logan Financing Warrant. Each Logan Financing Warrant entitles the holder thereof to acquire one Logan Share at an exercise price of \$0.35 for a period of five (5) years. The Logan Financing Warrants will vest and become exercisable as to one-third upon the Market Price of the Logan Shares equaling or exceeding \$0.70, an additional one-third upon the Market Price equaling or exceeding \$0.7875 and a final one-third upon the Market Price equaling or exceeding \$0.875.

In addition, Logan has reserved for issuance pursuant to grants under the Option Plan and the Share Award Incentive Plan such number of Logan Shares which is equal to 10% of the number of Logan Shares issued and outstanding at the time of such grant. As of the date hereof, no Options or Share Awards have been issued pursuant to the Option Plan or Share Award Incentive Plan, respectively.

Please see "Item 5: Description of Business", "Item 6: Financings", "Item 12: Stock Option Plans" and "Item 33: Significant Acquisitions".

**Acquisition of the Logan Assets:**

Spartan and Logan entered into the Conveyance Agreement to complete the Spin-Out on June 20, 2023. The Logan Assets are focused in the prolific Montney gas resource trend of northwest Alberta and northeast British Columbia predominantly in the Pouce Coupe, Simonette and Flatrock areas, as well as legacy production in the BC Minors. The Logan Assets have the following key attributes:

	Production <sup>(1)</sup> (BOE/d)	Gross PDP Reserves (MBOE)	Gross P+P Reserves (MBOE)	P+P RLI (years) <sup>(1)</sup>
<b>Alberta</b>				
Pouce Coupe area	1,546	2,203	5,632	10
Simonette area	2,454	5,418	8,740	10
<b>British Columbia</b>				
BC Minors	500	929	1,106	6
<b>Total</b>	4,500	8,549	15,478	9

**Note:**

(1) Based on forecasted June 2023 production for the area.

While management expects that Logan will receive the benefits noted above, there is a risk that Logan may fail to realize the anticipated benefits of the Spin-Out.

Please see "Item 5: Description of Business", "Item 21: Risk Factors" and "Item 33: Significant Acquisitions".

**Logan Financing:**

The Logan Financing was a non-brokered private placement of securities of Logan at an issue price of \$0.35, representing the net asset value of the Logan Assets on a per share basis, to raise aggregate proceeds of approximately \$48.5 million. Pursuant to the Logan Financing, Logan issued 74.3 million Logan Shares and 64.3 million Logan Units at a price of \$0.35 per Logan Share or Logan Unit, as applicable. Units were issued to subscribers that are Logan Insider Shareholders. Logan Shares were issued to all other subscribers.

Each Logan Unit issued pursuant to the Logan Financing was comprised of one (1) Logan Share and one (1) Logan Financing Warrant. Each Logan Financing Warrant

entitles the holder thereof to acquire one Logan Share at an exercise price of \$0.35 for a period of five (5) years. The Logan Financing Warrants will vest and become exercisable as to one-third upon the Market Price of the Logan Shares equaling or exceeding \$0.70, an additional one-third upon the Market Price equaling or exceeding \$0.7875 and a final one-third upon the Market Price equaling or exceeding \$0.875.

Please see "*Item 16: Directors and Executive Officers*" for a description of the participation of the directors and executive officers of Logan in the Logan Financing.

The purpose of the Logan Financing is to provide additional capital for use by Logan in its exploration and development activities and for general working capital purposes. The Logan Board believes that the Logan Financing will: (a) facilitate increased ownership in Logan, at a fair price and in a manner which encourages continued performance; (b) align the interests of holders of Logan Shares through the capital commitment being made under the Logan Financing by Logan employees; (c) allow Logan to meet the challenges in retaining qualified personnel in a very competitive employment market, particularly in the context of Spartan's historical cash compensation levels; and (d) provide additional capital to Logan for use in its exploration and development program.

Please see "*Item 6: Financings*" for more information.

**Available Funds and Principal Purposes:**

After giving effect to the Spin-Out, the Distribution and the Logan Financing, but prior to giving effect to the exercise of any of the Logan Transaction Warrants, Logan has approximately \$48.5 million in cash.

Logan intends to use such available funds towards oil and gas activities in the amount of approximately \$41.8 million, general and administrative costs and other corporate working capital in the amount of \$5.0 million, and reserves \$200,000 in unallocated funds in accordance with TSXV Policy 2.1

The use of available funds by Logan is consistent with its stated business objectives and strategic goals of the exploration for and development and appraisal of oil and gas interests in its core north-west Alberta and north-east British Columbia areas. Other than the successful completion of the Spin-Out, the Distribution and the Logan Financing, there is no particular significant event or milestone that must occur for Logan's business objectives to be accomplished.

While Logan intends to use the net proceeds as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in Logan's best interests and as a result there is no assurance Logan will use the proceeds as stated. See "*Forward-Looking Statements*" and "*Item 6: Financings*" for more information.

**Risk Factors:**

Some of the risks relating to the business of Logan, the Logan Shares, the Spin-Out and the Distribution are summarized as follows: possible failure to realize anticipated benefits of the Spin-Out and the Distribution; reliance on key personnel; potential conflicts of interest; management of growth; internal controls; discretion in use of funds; no prior public market for Logan Shares; substantial capital requirements; additional funding requirements; variations in foreign exchange rates and interest rates; future sales or issuances of Logan Shares and the price of Logan Shares; issuance of debt; volatility of market price of Logan Shares; dilution; dividends; volatility in the petroleum and natural gas industry; commodity prices,

markets and marketing; project risks; reliance on operators, management and key personnel; third-party credit risk and delays; alternatives to, and changing demand for, petroleum products; exploration, development and production risks; gathering and processing facilities, pipeline systems and rail; regulatory; environmental regulation; liability management; royalty regimes; climate change; forest fires; hydraulic fracturing; risk of pandemics, epidemics or outbreaks; borrowing; inflation and cost management; changing investor sentiment; evolving corporate governance, sustainability and reporting framework; reputational risk; reserves estimates; title to assets; failure to realize anticipated benefits of acquisition depositions; hedging; competition; political uncertainty; geopolitical risks; non-governmental organizations and eco-terrorism risks; disposal of fluids used in operations; cost of new technologies; availability and cost of equipment, material and qualified personnel; expiration of licenses and leases; income taxes; seasonality and extreme weather conditions; carbon pricing risk; insurance; litigation; breach of confidentiality; information technology systems and cyber-security; social media; limited ability of residents in the U.S. to enforce civil remedies; and forward-looking information may prove inaccurate and the other factors discussed under "Risk Factors".

Please see "Item 21: Risk Factors".

**Selected  
Financial and  
Operational  
Information:**

The following table summarizes selected financial and operational highlights in respect of the Logan Assets:

Gross Production from the Logan Assets

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Light and medium oil (bbls/d)	752	1,032	775
Natural gas (mcf/d)	24,333	27,976	26,554
NGLs (bbls/d)	480	594	658
Oil equivalent (boe/d)	5,286	6,288	5,859

Schedule of Revenue, Royalties and Operating Expenses for the Logan Assets

<i>(thousands of dollars)</i>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Oil and gas sales <sup>(1)</sup>	19,012	124,534	74,401
Royalties <sup>(1)</sup>	(3,425)	(17,026)	(8,145)
Oil and gas sales, net of royalties	15,587	107,508	66,256
Processing and other revenue <sup>(1)</sup>	864	3,326	3,552
Operating expenses <sup>(1)</sup>	(8,454)	(32,608)	(23,859)
Transportation expenses <sup>(1)</sup>	(1,606)	(7,583)	(5,944)
Operating Income <sup>(1)</sup>	<u>6,391</u>	<u>70,643</u>	<u>40,005</u>
Operating Netback (\$/BOE) <sup>(2)</sup>	13.43	30.78	18.71

**Notes:**

- (1) Derived from: (a) the audited operating statements relating to the Logan Assets for the years ended December 31, 2022 and December 31, 2021 attached as Appendix "B" to this Listing Statement; and (b) the unaudited operating statements relating to the Logan Assets for the three months ended March 31, 2023 and March 31, 2022, Appendix "C" to this Listing Statement.
- (2) Derived from the discussion under the heading "Management's Discussion and Analysis". "Operating Netback" is a non-GAAP financial measures which may not be directly comparable to other issuers. See "Notice to Reader - Non-GAAP Measures and Ratios" for more information.

These financial statements and operational information should be read in conjunction with the information included in "Item 8: Management's Discussion and Analysis" and "Item 32: Financial Statement Disclosure for Issuers" below.

The above is a summary of selected financial information for the Logan Assets for the periods ended March 31, 2023, December 31, 2022, and December 31, 2021 which has been derived from: (i) the audited statement of financial position of Logan as at April 14, 2023 and the statement of cash flows and changes in equity of Logan for the period from incorporation on March 10, 2023 to April 14, 2023 attached as Appendix "A" to this Listing Application; (ii) audited operating statements relating to Logan Assets for the years ended December 31, 2022 and December 31, 2021 attached as Appendix "B" to this Listing Application; (iii) unaudited operating statements relating to Logan Assets for the three months ended March 31, 2023 and March 31, 2022 attached as Appendix "C" to this Listing Application; and (iv) the discussion under the heading "Item 8: Management's Discussion and Analysis" in this Listing Application.

**ITEM 4: CORPORATE STRUCTURE**

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Logan was incorporated pursuant to the ABCA on March 10, 2023 under the name "2499938 Alberta Ltd.", as a wholly owned subsidiary of Spartan. On March 22, 2023, Logan filed Articles of Amendment changing its name to "Logan Energy Corp." from "2499938 Alberta Ltd.". Logan was incorporated for the purpose of oil and natural gas production, exploration and acquisition in the Pouce Coupe and Simonette areas of north-west Alberta of the Montney resource trend, and in the Flatrock area of north-east British Columbia. Logan does not have any subsidiaries.

On June 20, 2023, pursuant to the terms of the Conveyance Agreement between Spartan and Logan, Spartan transferred the Logan Assets to Logan. The primary assets transferred to Logan consist of 193,000 net acres of high working interest 95% Montney Crown land across three properties (Simonette, Pouce Coupe and Flatrock). Pursuant to the terms of the Conveyance Agreement, the Spin-Out was completed for consideration equivalent to the fair market value of the Logan Assets in the aggregate amount of \$60,620,469.35, which was satisfied by the issuance by Logan to Spartan of the Logan Shares and the Logan Transaction Warrants, which securities Spartan distributed to eligible Spartan Shareholders pursuant to the Distribution.

The organizational structure of Logan before and after the completion of the Spin-Out and the Distribution is presented below. Pursuant to the Distribution, eligible Spartan Shareholders received approximately 173.2 million Logan Shares and approximately 173.2 million Logan Transaction Warrants. Pursuant to the Logan Financing, an additional 74.3 million Logan Shares and 64.3 million Logan Units were issued, each Logan Unit comprising of one (1) Logan Share and one (1) Logan Financing Warrant.

Before Spin-Out and Distribution



After Spin-Out and Distribution



Logan's website is located at [www.LoganEnergyCorp.com](http://www.LoganEnergyCorp.com).

Logan is a reporting issuer or the equivalent thereof in each of the provinces of Canada.

The head office of Logan is located at Suite 1500, 308 – 4<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 0H7 and its registered office is located at Suite 4300, 888 - 3<sup>rd</sup> Street S.W., Calgary, Alberta T2P 5C5.

## **ITEM 5: DESCRIPTION OF THE BUSINESS**

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Logan was incorporated for the purposes of participating in the Spin-Out and has not carried on any active business other than as discussed in the Spartan Circular and this Listing Application. Pursuant to the Spin-Out and the terms of the Conveyance Agreement, Spartan transferred the Logan Assets to Logan on June 20, 2023. The Logan Assets comprise of 4,000 boe/d of production in the Pouce Coupe and Simonette areas of north-west Alberta, 500 boe/d of legacy north-east British Columbia production and 55,769 net undeveloped acres in the Flatrock area of north-east British Columbia. The primary assets transferred to Logan consist of 193,000 net acres of high working interest 95% Montney Crown land across three properties (Simonette, Pouce Coupe and Flatrock). Logan has approximately 4,500 boe/d of long life, balanced oil and gas production and 15.5 mmmboe of TPP reserves as evaluated by McDaniel pursuant to the Logan Report. Since completion of the Spin-Out, Logan carries on the exploration for, and development and production of, oil and natural gas in respect of the Logan Assets. See "*Item 33: Significant Acquisitions*" for more detail.

### **Three-Year History**

Logan was incorporated on March 10, 2023. On June 20, 2023, pursuant to the terms of the Conveyance Agreement, Spartan spun-out the Logan Assets to Logan for consideration equal to the fair market value thereof in the aggregate amount of \$60,620,469.35, which was satisfied by the issuance by Logan to Spartan of the Logan Shares and the Logan Transaction Warrants. The Logan securities issued pursuant to the Spin-Out were distributed to eligible Spartan Shareholders pursuant to the Distribution. For more information about the Spin-Out, please refer to "*Item 33: Significant Acquisitions*" in this Listing Application. For more details in respect of the Conveyance Agreement and the Warrant Indenture of Logan, please refer to "*Item 27: Material Contracts*".

### **Business Strategy**

Logan's business strategy is to develop its assets to grow production and cash flow while accumulating and delineating high quality inventory to provide compelling risk adjusted returns to shareholders.

- **Develop and grow its assets.** Logan will develop its assets to grow production and cash flow. Logan will deploy optimized well designs and development strategies to maximize the capital efficiency of its development drilling. Infrastructure will be built out or expanded as required to support the growth plan.
- **Identify, acquire and delineate high quality inventory.** Logan's existing asset base is rich in drilling inventory. Additionally, management has a track record of identifying and acquiring high quality and undervalued inventory and intends to grow the company's drilling inventory as part of the strategy. Management believes that high quality drilling inventory is becoming scarce and believes adding and delineating drilling inventory will contribute to strong equity returns.
- **Focus on execution and cost discipline.** While growing, Logan will maintain a focus on reliable execution and well delivery with a focus on cost discipline.
- **Maintain a high full cycle investment hurdle rate and conservative leverage.** Logan will evaluate all capital projects and possible acquisitions to ensure that they meet a high rate of return hurdle on a full cycle and risk adjusted basis. Logan will also maintain a conservative balance sheet and contractual commitments that are right sized to enable production growth while protecting downside in a volatile commodity market.

For all capital investments, be it drilling, infrastructure or acquisition opportunities, Logan will evaluate such opportunities to ensure they are expected to deliver risk adjusted returns above Logans weighted average cost of capital. Logan expects to maintain a high investment hurdle rate. The Logan Board may, in its discretion, approve acquisitions that do not conform to these guidelines based upon its consideration of the qualitative aspects of the subject properties, including risk profile, technical upside, reserve life and asset quality.

## **Business Strengths**

The business strengths of Logan are as follows:

- **Asset quality.** From the outset, Logan has three Montney assets in the Simonette, Pouce Coupe areas of north-west Alberta and in the Flatrock area of north-east British Columbia. Each property has favorable subsurface properties which are expected to deliver compelling well economics and offer different risk-return profiles. Logan intends to maintain a concentrated and high quality asset base with low abandonment and reclamation obligations.
- **Inventory depth and growth runway.** Across 193,000 net acres of high working interest Montney land, management has identified over 500 drilling locations that underpin the growth strategy and decades of drilling inventory.
- **Management track record.** The management team has an established track record of creating shareholder value across multiple business cycles and stewarding capital through volatile commodity markets. Additionally, the management team is highly technical with a demonstrated history of identifying and acquiring undervalued assets with significant upside potential.
- **Fit for purpose capital structure.** Logan is appropriately capitalized to execute as a growth-oriented producer. Logan expects to have approximately \$109.1 million in cash (assuming the Logan Transaction Warrants are fully exercised), no debt, significant management ownership, and a premium focused portfolio of assets.

## **Employees**

Logan has appointed four (4) officers who are employed by Logan in addition to 16 employees. See "*Item 15: Directors and Executive Officers*" in this Listing Application. To proceed with the development of the Logan Assets, Logan may require additional experienced employees and third-party consultants and contractors. See "*Item 20: Risk Factors – Risks Relating to the Management of Logan – Reliance on Key Personnel*" in this Listing Application.

## **Specialized Skill and Knowledge**

Logan believes its success will be dependent on the performance of its management and key employees, many of whom have specialized knowledge and skills relating to oil and gas operations. Logan believes that it will have adequate personnel with the specialized skills required to successfully carry out its operations. Logan's management team has an established track record of creating value across multiple business cycles in high-growth oil and gas companies through an integrated strategy of acquiring, exploiting and exploring assets. See "*Item 20: Risk Factors – Risks Relating to the Management of Logan – Reliance on Key Personnel*" in this Listing Application.

## **Cyclical and Seasonal Nature of Industry**

Logan's operational results and financial condition are dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an

adverse effect on Logan's financial condition. See "*Item 20: Risk Factors*" in this Listing Application. Logan mitigates such price risk through closely monitoring the various commodity markets and establishing hedging programs, as deemed necessary, to lock-in high netbacks on production volumes.

### **Environmental Responsibility**

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislations. Compliance with such legislation can require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licences and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which might have a significant negative impact on earnings and overall competitiveness. The operations of Logan are affected in varying degrees by laws and regulations regarding environmental protection.

Logan is committed to meeting its responsibilities to protect the environment and will be taking such steps as required to ensure compliance with environmental legislation in all jurisdictions in which it operates. Logan believes that it is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue, and in continuing to maintain high quality operations, it anticipates making increased expenditures of both a capital and an expense nature as a result of these increasingly stringent environmental protection laws. However, it is not currently possible to quantify any such increased expenditures and it is not anticipated that Logan's competitive position will be adversely affected by current or future environmental laws and regulations governing its oil and natural gas operations. For a further discussion of the environmental regulations affecting the oil and gas industry, see "*Item 20: Risk Factors*".

### **Health, Safety and Environmental**

Management, employees and all contractors will be responsible and accountable for the overall health, safety and environmental program. Logan will operate in compliance with all applicable regulations and will ensure all staff and contractors employ sound practices to protect the environment and to ensure employee and public health and safety.

Logan maintains a safe and environmentally responsible workplace and provide training, equipment and procedures to all individuals in adhering to its policies. It also solicits and takes into consideration input from neighbours, communities and other stakeholders in regard to protecting people and the environment.

### **Competitive Conditions**

Logan is a member of the petroleum industry, which is highly competitive at all levels. Logan competes with other companies for all of its business inputs, including exploitation and development prospects, access to commodity markets, acquisition opportunities, available capital and staffing. Logan strives to be competitive by maintaining a strong financial condition and by utilizing current technologies to enhance exploitation, development and operational activities. Competitors in the space include resource companies which have much greater financial resources, staff and facilities than those of Logan. Logan believes that its competitive position is similar to that of other oil and gas issuers of similar size and at a similar stage of development.

### **Marketing**

It is expected that Logan's crude oil, NGLs and natural gas production will be sold primarily through lease sales that provide current market prices. Crude oil contracts are generally for a period of up to one year and are cancellable on 30 days' notice, natural gas contracts are generally for one year and are cancellable on 60 days' notice, and NGL contracts are generally for one year and allow for volume

variances during their term. Logan does not expect to enter into any sales contracts that are reserve specific or continue for the life of production from the specified reserves.

### **Bankruptcy and Similar Procedures**

There has been no bankruptcy, receivership or similar proceedings against Logan, or any voluntary bankruptcy, receivership or similar proceedings by Logan.

### **Recent Transactions**

On May 10, 2023, Spartan completed the Asset Sale.

On June 20, 2023, Spartan completed the Spin-Out.

On July 6, 2023, Spartan completed the Distribution, pursuant to which each eligible Spartan Shareholder received or is entitled to receive:

- \$9.50 per Spartan Share;
- one (1) Logan Share per Spartan Share; and
- one (1) Logan Transaction Warrant per Spartan Share.

Each Logan Transaction Warrant is non-transferrable and entitles the holder thereof to acquire one (1) Logan Share at an exercise price equal to Logan's defined net asset value of \$0.35 per Logan Share at any time on or before the close of business on July 31, 2023.

#### *The Spin-Out*

Pursuant to the terms of the Logan Conveyance Agreement entered into between Spartan and Logan on June 20, 2023, Spartan transferred 4,000 boe/d of production in the Pouce Coupe and Simonette areas of north-west Alberta, 500 boe/d of legacy north-east British Columbia production and 55,769 net undeveloped acres in the Flatrock area of north-east British Columbia to Logan on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Logan by Spartan or any third party. The consideration for the Logan Assets was equal to the fair market value of the Logan Assets, in the aggregate amount of \$60,620,469.35, payable by the issuance of the Logan Shares and the Logan Transaction Warrants. Subsequent to the Spin-Out, Logan has approximately 4,500 boe/d of long life, balanced oil and gas production and 15.5 mmmboe of TPP reserves as evaluated by McDaniel pursuant to the Logan Report.

Logan's management team includes: Richard (Rick) McHardy, as President and Chief Executive Officer and a Director; Brendan Paton, as Vice President Engineering and Chief Operating Officer; Ashley Hohm as Vice President Finance and Chief Financial Officer; and Craig Martin as Vice President Operations. The Logan Board consists of Fotis Kalantzis (Chairman), Reginald Greenslade, Don Archibald, Geri Greenall, Pat Ward and Ron Hozjan. The management team has been fundamental to Spartan's growth since inception by leading Spartan's efforts in the exploitation and acquisition of its high quality oil and gas assets and will be a key component of Logan's future success. The Spin-Out allows the Logan management team to immediately apply its expertise at creating value in a growth-oriented, pure-play Montney company. Logan is well-capitalized with an estimated \$109.1 million in cash (assuming the Logan Transaction Warrants are fully exercised), no debt, significant management ownership and a premium focused portfolio of assets.

### *The Distribution*

The Logan Shares and Logan Transaction Warrants issued by Logan to Spartan in consideration of the Logan Assets were transferred by Spartan to eligible Spartan Shareholders beginning on July 6, 2023.

### **Acquisition of the Logan Assets**

#### *Highlights of the Acquisition*

The Logan Assets are exploration assets that Spartan believes to have a significant potential upside based on recent drilling in the area. The Logan Assets are focused in the prolific Montney gas resource trend of northwest Alberta and northeast British Columbia predominantly in the Pouce Coupe, Simonette and Flatrock areas, as well as the BC Minors. The Logan Assets have the following key attributes:

	<u>Production<sup>(1)</sup></u> <u>(BOE/d)</u>	<u>Gross PDP Reserves</u> <u>(MBOE)</u>	<u>Gross P+P Reserves</u> <u>(MBOE)</u>	<u>P+P RLI</u> <u>(years)<sup>(1)</sup></u>
<b>Alberta</b>				
Pouce Coupe area	1,546	2,203	5,632	10
Simonette area	2,454	5,418	8,740	10
<b>British Columbia</b>				
BC Minors	500	929	1,106	6
<b>Total</b>	<u>4,500</u>	<u>8,549</u>	<u>15,478</u>	<u>9</u>

**Note:**

(1) Based on forecasted June 2023 production for the area.

The following table sets out the average daily gross production volumes for the Logan Assets on a quarterly basis for the years of 2022 and 2021:

<u>Quarter</u>	<u>2022 (BOE/d)</u>	<u>2021 (BOE/d)</u>
January – March	7,358	6,401
April – June	6,144	5,567
July – September	6,041	5,378
October – December	5,627	6,099

See "Statement of Reserves Data and Other Oil and Gas Information Regarding the Logan Assets". While management expects that Logan will receive the production benefits noted above, the Spin-Out and the Distribution expose Logan to additional risks including the risk that Logan will fail to realize the anticipated benefits from the Logan Assets. See "Risk Factors" in this Appendix for a further discussion of the risks associated with the Distribution.

#### *Description of Principal Properties*

As of March 1, 2023, the effective date of the Logan Reserves Report, the core operating assets and land holdings attributable to the Logan Assets were primarily located in and around the Simonette and Pouce Coupe areas of northwest Alberta and the Flatrock area of British Columbia, targeting the Montney Formation. Please see below for an overview of the Montney working/ownership interests of Logan:

	<u>Average Working Interest</u>
<i>Pouce Coupe</i>	93%
<i>Simonette</i>	92%
<i>Flatrock</i>	99%
<b>Total</b>	<u>95%</u>

The Pouce Coupe property has had seven wells drilled with modern completion designs which have delivered consistent and strong results. The Pouce Coupe asset spans the gas condensate to light oil

window. The asset is ready for continued development drilling with a similar development strategy to what has been executed on the last seven wells. Pouce Coupe has a connection to an area midstream gas plant. To reach the assets full potential, Logan will work through infrastructure and egress constraints.

The Simonette property has 51 operated Montney wells primarily drilled in the gas condensate window; no drilling has occurred on the asset since 2017. While these wells effectively delineate many of the subsurface properties of the asset, Logan is of the view that the well designs and landing depth of the historic wells are suboptimal. Despite this suboptimal historical development, the well results would still generate positive returns today. Logan believes there is an opportunity to improve upon these historic results and demonstrate highly economic well results upon implementation of Logan's development plan across the gas condensate and oil windows of the Simonette property. Logan owns a 50% working interest in its 120 mmcf/d gas plant and has extensive gathering and disposal infrastructure in the area that will facilitate the development and growth plans.

The Flatrock property is undeveloped Montney acreage prospective for both gas condensate and oil development. The subsurface properties in Flatrock map out favorably relative to other successful Montney developments and upon successful delineation drilling, Logan believes the opportunity in Flatrock is substantial.

## **ITEM 6: FINANCINGS**

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### **Logan Financing**

On July 12, 2023, Logan completed the Logan Financing for aggregate gross proceeds of approximately \$48.5 million. The Logan Financing included:

- (a) a non-brokered private placement of 64.3 million Logan Units at a price of \$0.35 per Logan Unit for aggregate gross proceeds of approximately \$22.5 million; and
- (b) a non-brokered private placement of 74.3 million Logan Shares at a price of \$0.35 per Logan Share for aggregate gross proceeds of approximately \$26.0 million.

Each Logan Unit issued pursuant to the Logan Financing consisted of one (1) Logan Share and one (1) Logan Financing Warrant. Each Logan Financing Warrant entitles the holder thereof to purchase one Logan Share at an exercise price of \$0.35 for a period of five years from the date of issuance. The Logan Financing Warrants will vest as to one-third (1/3) upon the Market Price of the Logan Shares equaling or exceeding \$0.70, an additional one-third (1/3) upon the Market Price equaling or exceeding \$0.7875, and a final one-third (1/3) upon the Market Price equaling or exceeding \$0.875. The directors and executive officers of Logan subscribed for a total of 38.0 million Logan Units pursuant to the Logan Financing. See *"Item 16: Directors and Executive Officers."*

The subscription price of \$0.35 per Logan Share or Logan Unit, as applicable, is based on the net asset value of Logan which is calculated as follows:

TPP reserves <sup>(1)</sup>	\$ 54.9 million
Undeveloped land <sup>(2)</sup>	\$ 5.7 million
<b>Total Logan net asset value</b>	<b>\$ 60.6 million</b>
Total outstanding Logan Shares <sup>(3)(4)</sup>	173.2 million
Net asset value per share	\$0.35

**Notes:**

1. Representing the NPV of TPP reserves discounted at 10% before-tax attributed to the Logan Assets as evaluated in the Logan Report.
2. Representing the undeveloped land value attributed to the undeveloped acreage in the Flatrock area as evaluated by Seaton-Jordan & Associates Ltd. as of December 31, 2022.
3. Approximately 173.2 million Spartan Shares were issued and outstanding as of the date of the Distribution, for which one

- (1) Logan Share was issued in respect of each Spartan Share
4. Excluding Logan Shares issued pursuant to the Logan Financing or on the exercise of the Logan Transaction Warrants.

There is currently no market for the Logan Shares, the Logan Transaction Warrants or the Logan Financing Warrants. Logan has applied to list the Logan Shares (including all Logan Shares issuable upon exercise of Logan Transaction Warrants and Logan Financing Warrants) on the TSXV. The TSXV has conditionally approved the listing of the Logan Shares, subject to Logan fulfilling all listing requirements of the TSXV. The Logan Transaction Warrants and the Logan Financing Warrants will not be listed.

No finders' fees or commissions were paid in connection with the Logan Financing.

The purpose of the Logan Financing was to provide additional capital for use by Logan in its exploration and development activities and for general working capital purposes. The Logan Board believes that the Logan Financing will: (a) facilitate increased ownership in Logan, at a fair price and in a manner which encourages continued performance; (b) align the interests of holders of Logan Shares through the capital commitment being made under the Logan Financing by Logan employees; (c) allow Logan to meet the challenges in retaining qualified personnel in a very competitive employment market, particularly in the context of Spartan's historical cash compensation levels; and (d) provide additional capital to Logan for use in its exploration and development program.

#### Available Funds and Principal Purposes

After giving effect to the Spin-Out, the Distribution and the Logan Financing, but prior to giving effect to the exercise of any of the Logan Transaction Warrants, Logan has approximately \$48.5 million in cash, as follows:

	<u>\$ millions</u>
Net proceeds from Logan Financing <sup>(1)(2)</sup>	48.5
Current Liabilities	(1.0)
Other funds available to Logan	0.0
<b>Total</b>	<u>47.5</u>

**Notes:**

- (1) Gross and net proceeds from the Logan Financing are equal to the aggregate gross proceedings from the Logan Financing in the aggregate amount of approximately \$48.5 million. Transaction costs were for the account of Spartan and no such fees or costs represent obligations of Logan.
- (2) No provision of the exercise of the Logan Financing Warrants or the Logan Transaction Warrants has been provided as the exercise of such Logan Financing Warrants and Logan Transaction Warrants is wholly dependent on the future trading price of the Logan Shares, should the Logan Shares be approved for listing by the TSXV.

Logan intends to use such available funds as follows:

	<u>\$ millions</u>
Oil and gas activities <sup>(1)</sup> <i>(exploration for and development and appraisal of oil and gas interests)</i>	42.3
Unallocated funds <sup>(2)</sup>	0.2
General and administrative costs and other corporate working capital <sup>(3)</sup>	5.0
<b>Total</b>	<u>47.5</u>

**Notes:**

- (1) Capital expenditures may increase dependent upon cash flow from operations. Logan estimates that oil and gas capital expenditures will substantially increase dependent upon the exercise of the Logan Transaction Warrants.
- (2) In accordance with TSXV Policy 2.1, Logan reserves \$200,000 in unallocated funds.
- (3) The estimate of working capital is prior to giving effect to the exercise of any of the Logan Transaction Warrants. As a result, the actual working capital amount may be materially different from the current estimate.

There is no certainty that the Logan Transaction Warrants will be exercised. The working capital amount is a good faith estimate that is subject to a number of uncertainties including results of future operations and final costs of the Spin-Out, the Distribution and the Logan Financing.

The use of available funds by Logan is consistent with its stated business objectives and strategic goals of the exploration for and development and appraisal of oil and gas interests in its core north-west Alberta and north-east British Columbia areas. There is no particular significant event or milestone that must occur for Logan's business objectives to be accomplished.

While Logan intends to use the net proceeds as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in Logan's best interests and as a result there is no assurance Logan will use the proceeds as stated. See "*Forward-Looking Statements*", "*Item 10: Consolidated Capitalization*", and "*Item 20: Risk Factors*" in this Listing Application.

## **ITEM 7: DIVIDENDS AND OTHER DISTRIBUTIONS**

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As of the date hereof, no dividends or other distributions have been made by Logan.

There are no restrictions in Logan's articles or elsewhere which could prevent Logan from paying dividends. It is not contemplated that any dividends will be paid on any Logan Shares in the immediate future, as it is anticipated that all available funds will be invested to finance the growth of Logan's business. The directors of Logan will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on Logan's financial position at the relevant time. Any decision to pay dividends on the Logan Shares will be made by the directors on the basis of Logan's earnings, financial requirements and other factors existing at such future time, including commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends. All of the Logan Shares will be entitled to an equal share in any dividends declared and paid. See "*Item 20: Risk Factors*" and "*Item 8: Disclosure of Outstanding Security Data on Fully Diluted Basis*" in this Listing Application.

## **ITEM 8: MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **Annual MD&A**

The following Management's Discussion and Analysis ("**MD&A**"), dated as of July 12, 2023, provides a detailed explanation of the revenue, royalties, operating and transportation expenses of the Logan Assets for the years ended December 31, 2022 and 2021 and should be read in conjunction with the audited operating statements for the years then ended set forth in Appendix "B" to this Listing Application and the unaudited operating statements for the three-month periods ended March 31, 2023 and 2022. The operating statements have been prepared in all material respects in accordance with the financial reporting framework specified in subsection 3.17 of NI 52-107. All references are to Canadian dollars unless otherwise indicated.

<b>OIL AND GAS SALES</b>	Year ended December 31		Percent Change
	<b>2022</b>	2021	
<i>CA\$ thousands, except as noted</i>			
<b>Oil and gas sales, before royalties:</b>			
Crude oil	<b>45,420</b>	22,897	98
Natural gas	<b>59,224</b>	36,909	60
Natural gas liquids	<b>19,890</b>	14,595	36
<b>Oil and gas sales, before royalties</b>	<b>124,534</b>	74,401	67

### **Average daily production:**

<b>OIL AND GAS SALES</b>	Year ended December 31		Percent
	<b>2022</b>	2021	Change
<i>CA\$ thousands, except as noted</i>			
Crude oil (bbl/d)	<b>1,032</b>	775	33
Natural gas (mcf/d)	<b>27,976</b>	26,554	5
Natural gas liquids (bbl/d)	<b>594</b>	658	(10)
Combined (BOE/d)	<b>6,288</b>	5,859	7
% Liquids	<b>26%</b>	24%	8
<b>Average realized prices:</b>			
Crude oil (\$/bbl)	<b>120.64</b>	80.96	49
Natural gas (\$/mcf)	<b>5.80</b>	3.81	52
Natural gas liquids (\$/bbl)	<b>91.86</b>	60.71	51
Combined (\$/BOE)	<b>54.26</b>	34.80	56
<b>Average benchmark prices:</b>			
WTI crude oil (US\$/bbl)	<b>94.23</b>	67.91	39
Edmonton light crude oil (\$/bbl)	<b>120.08</b>	80.17	50
AECO natural gas (\$/GJ)	<b>5.04</b>	3.44	47
Exchange rate (US\$/CA\$)	<b>1.30</b>	1.25	4

For the year ended December 31, 2022, total oil and gas sales (before royalties) increased by \$50.1 million or 67% due to significantly higher average realized prices, together with a 7% increase in production year over year. The increase in average daily production in 2022 compared to the previous year is primarily due to 3.0 net wells drilled at Pouce Coupe at the end of 2021 in addition to well reactivations.

The combined average product price was \$54.26 per BOE in 2022, an increase of 56% compared to \$34.80 per BOE in 2021. The increase in the combined average price realized reflects the increase in underlying benchmark commodity prices during 2022 as well as the higher crude oil weighting of production and sales revenue compared to the previous year.

<b>ROYALTIES</b>	Year ended December 31		Percent
	<b>2022</b>	2021	Change
<i>CA\$ thousands, except as noted</i>			
Royalties	<b>17,026</b>	8,145	109
% of oil and gas sales	<b>13.7%</b>	10.9%	26
\$ per BOE	<b>7.42</b>	3.81	95

Royalty expenses consist primarily of Crown royalties paid to the provincial governments as well as payments to overriding royalty owners. Crown royalties are calculated based on commodity prices and individual well production rates, and as such are impacted by commodity price fluctuations, changes in production volumes and royalty incentive programs. Total royalties increased by \$8.9 million or 109% primarily due to the increase in gross revenue. In addition, royalties increased as a percentage of oil and gas sales revenue due to higher commodity prices in 2022.

<b>PROCESSING AND OTHER REVENUE</b>	Year ended December 31		Percent
	<b>2022</b>	2021	Change
<i>CA\$ thousands, except as noted</i>			
Processing and other revenue	<b>3,326</b>	3,552	(6)
\$ per BOE	<b>1.45</b>	1.66	(13)

Processing and other revenue relates to processing fees earned on third party volumes processed through ownership in the Simonette 13-11 Gas Plant. Processing and other revenue is relatively consistent year over year, with the decrease in average processing and other revenue per BOE driven by the increase in total production volumes for the Logan Assets.

OPERATING EXPENSES	Year ended December 31		Percent
	2022	2021	Change
<i>CA\$ thousands, except as noted</i>			
Operating expenses	<b>32,608</b>	23,859	37
\$ per BOE	<b>14.21</b>	11.16	27

Operating expenses increased by \$8.7 million or 37% over the previous year primarily due to incremental costs related to maintenance, turnaround and workover expenses. Additionally, chemical and water disposal costs increased with higher production and well reactivations.

TRANSPORTATION EXPENSES	Year ended December 31		Percent
	2022	2021	Change
<i>CA\$ thousands, except as noted</i>			
Transportation expenses	<b>7,583</b>	5,944	28
\$ per BOE	<b>3.30</b>	2.78	19

In late 2021, a change relating to the marketing of oil and condensate production resulted in the direct incurrence of transportation expenses that were previously presented as a deduction from oil and gas sales, driving the increase in transportation on a per BOE basis. Overall transportation expense increased further due to the increase in production year over year.

OPERATING INCOME	2022		2021		Percent Change	
	\$000s	\$/BOE	\$000s	\$/BOE	\$	\$/BOE
Oil and gas sales	<b>124,534</b>	<b>54.26</b>	74,401	34.80	67	56
Royalties	<b>(17,026)</b>	<b>(7.42)</b>	(8,145)	(3.81)	109	95
Processing and other revenue	<b>3,326</b>	<b>1.45</b>	3,552	1.66	(6)	(13)
Operating expenses	<b>(32,608)</b>	<b>(14.21)</b>	(23,859)	(11.16)	37	27
Transportation expenses	<b>(7,583)</b>	<b>(3.30)</b>	(5,944)	(2.78)	28	19
Operating income	<b>70,643</b>	<b>30.78</b>	40,005	18.71	77	65

Operating income from 2021 to 2022 increased by 77% primarily due to a 56% increase in commodity prices together with the 7% increase in average production volumes. Higher royalties, operating and transportation expenses partially offset the impact of materially higher commodity prices.

The primary factor that causes significant variability of the Logan Assets operating income is commodity prices. The Logan Assets operating income will be dependent on the prices received for crude oil and natural gas. Commodity prices have fluctuated widely and are determined by economic and political factors. Supply and demand factors, including weather and general economic conditions as well as conditions in other oil and natural gas regions, impact prices. Any movement in commodity prices could have a material effect on operating income. **As a result of changes in commodity prices, historical financial performance may not be indicative of future performance.** See "Item 20: Risk Factors – Risks Relating to Logan and the Logan Assets – Volatility of Oil and Gas Prices and Markets" in this Listing Application.

## Interim MD&A

The following management discussion and analysis ("**Interim MD&A**") dated as of July 12, 2023, provides a detailed explanation of the revenues, royalties, operating and transportation expenses of the Logan Assets for the three months ended March 31, 2023 and 2022 and should be read in conjunction with the unaudited operating statements for the three months then ended, as set forth in Appendix "C" to this Listing Application. The operating statements have been prepared in all material respects in accordance with the financial reporting framework specified in subsection 3.17 of NI 52-107. All dollar amounts are referenced in Canadian dollars, except when noted otherwise.

<b>OIL AND GAS SALES</b> <i>CA\$ thousands, except as noted</i>	Three months ended March 31		Percent
	<b>2023</b>	2022	Change
<b>Oil and gas sales, before royalties:</b>			
Crude oil	<b>6,878</b>	14,713	(53)
Natural gas	<b>8,744</b>	14,326	(39)
Natural gas liquids	<b>3,387</b>	5,568	(39)
<b>Oil and gas sales, before royalties</b>	<b>19,009</b>	34,607	(45)
<b>Average daily production:</b>			
Crude oil (bbl/d)	<b>752</b>	1,420	(47)
Natural gas (mcf/d)	<b>24,333</b>	31,410	(23)
Natural gas liquids (bbl/d)	<b>480</b>	703	(32)
<b>Combined (BOE/d)</b>	<b>5,286</b>	7,359	(28)
<b>% Liquids</b>	<b>23%</b>	29%	(21)
<b>Average realized prices:</b>			
Crude oil (\$/bbl)	<b>101.63</b>	115.14	(12)
Natural gas (\$/mcf)	<b>3.99</b>	5.07	(21)
Natural gas liquids (\$/bbl)	<b>78.55</b>	87.95	(11)
<b>Combined (\$/BOE)</b>	<b>39.96</b>	52.26	(24)
<b>Average benchmark prices:</b>			
WTI crude oil (US\$/bbl)	<b>76.13</b>	94.29	(19)
Edmonton light crude oil (\$/bbl)	<b>99.03</b>	115.74	(14)
AECO natural gas (\$/GJ)	<b>3.05</b>	4.49	(32)
Exchange rate (US\$/CA\$)	<b>1.35</b>	1.27	7

For the three months ended March 31, 2023, total oil and gas sales (before royalties) decreased by \$15.6 million or 45% reflecting lower average realized prices, together with a 28% decrease in production quarter over quarter. The decrease in average daily production reflects natural well declines from the first quarter of 2022 which benefited from 3.0 net wells drilled at Pouce Coupe at the end of 2021 in addition to well reactivations.

The combined average product price was \$39.96 per BOE in first quarter of 2023, a decrease of 24% compared to \$52.26 per BOE in the first quarter 2022. The decrease in the combined average price realized reflects the decrease in underlying benchmark commodity prices quarter over quarter as well as the lower crude oil weighting of production and sales revenue compared to the previous period.

<b>ROYALTIES</b>	Three months ended March 31		Percent	
	<i>CA\$ thousands, except as noted</i>	<b>2023</b>	2022	Change
Royalties		<b>3,425</b>	3,860	(11)
% of oil and gas sales		<b>18.0%</b>	11.2%	61
\$ per BOE		<b>7.20</b>	5.83	23

Royalty expenses consist primarily of Crown royalties paid to the provincial governments as well as payments to overriding royalty owners. Crown royalties are calculated based on commodity prices and individual well production rates, and as such are impacted by commodity price fluctuations, changes in production volumes and royalty incentive programs. Total royalties decreased by \$0.4 million or 11% primarily due to the decrease in gross revenue, partly offset by wells coming off incentive rates under the Alberta Modern Royalty Framework ("**AMRF**"). New wells brought on production under the AMRF are eligible for a reduced flat rate royalty of 5% applicable for a finite period after the well is brought on production. The increase in royalties as a percentage of oil and gas sales revenue also reflects the impact of wells coming off AMFR incentive rates.

<b>PROCESSING AND OTHER REVENUE</b>	Three months ended March 31		Percent	
	<i>CA\$ thousands, except as noted</i>	<b>2023</b>	2022	Change
Processing and other revenue		<b>864</b>	844	2
\$ per BOE		<b>1.82</b>	1.27	43

Processing and other revenue relates to processing fees earned on third party volumes processed through ownership in the Simonette 13-11 Gas Plant. Processing and other revenue is relatively consistent quarter over quarter, with the increase in average processing and other revenue per BOE driven by the decrease in total production volumes for the Logan Assets.

<b>OPERATING EXPENSES</b>	Three months ended March 31		Percent	
	<i>CA\$ thousands, except as noted</i>	<b>2023</b>	2022	Change
Operating expenses		<b>8,454</b>	8,562	(1)
\$ per BOE		<b>17.77</b>	12.93	37

Operating expenses increased by 37% on a per BOE basis over the previous quarter primarily due to the fixed nature of certain operating costs which do not decrease with a decline in production, as well as inflationary pressures on certain costs, such as chemicals, quarter over quarter.

<b>TRANSPORTATION EXPENSES</b>	Three months ended March 31		Percent	
	<i>CA\$ thousands, except as noted</i>	<b>2023</b>	2022	Change
Transportation expenses		<b>1,606</b>	2,003	(20)
\$ per BOE		<b>3.38</b>	3.02	12

Transportation costs decreased by \$0.4 million or 20% due to the decrease in production quarter over quarter.

OPERATING INCOME	Q1 2023		Q1 2022		Percent Change	
	\$000s	\$/BOE	\$000s	\$/BOE	\$	\$/BOE
Oil and gas sales	19,012	39.96	34,607	52.26	(45)	(24)
Royalties	(3,425)	(7.20)	(3,860)	(5.83)	(11)	23
Processing and other revenue	864	1.82	844	1.27	2	43
Operating expenses	(8,454)	(17.77)	(8,562)	(12.93)	(1)	37
Transportation expenses	(1,606)	(3.38)	(2,003)	(3.02)	(20)	12
Operating income	6,391	13.43	21,026	31.75	(70)	(58)

Operating income from the first quarter of 2022 to 2023 decreased by 58% primarily due to a 24% decrease in commodity prices together with the 28% decrease in average production volumes. Lower royalties and transportation expenses partially offset the impact of lower commodity prices.

## **ITEM 9: DISCLOSURE OF OUTSTANDING SECURITY DATA ON FULLY DILUTED BASIS**

Logan is authorized to issue an unlimited number of Logan Shares, and an unlimited number of Logan Preferred Shares, issuable in series.

As of the date hereof, prior to the closing of the Logan Financing, 173,201,341 Logan Shares, nil Logan Preferred Shares and 173,201,341 Logan Transaction Warrants are issued and outstanding. Following the closing of the Logan Financing, the company had issued and outstanding: 311,746,522 Logan Shares; 173,201,341 Logan Transaction Warrants, and 64,286,100 Logan Financing Warrants. An aggregate of 237,487,441 Logan Shares remain issuable pursuant to the exercise of the Logan Transaction Warrants, prior to July 31, 2023, and the Logan Financing Warrants.

In addition, Logan has reserved for issuance pursuant to grants under the Option Plan and the Share Award Incentive Plan such number of Logan Shares which is equal to 10% of the number of Logan Shares issued and outstanding at the time of such grant.

Logan proposes to list the Logan Shares on the Exchange.

### **Overview of Logan Securities**

The following is a summary of the material attributes and characteristics of the securities of Logan. The following description may not be complete and is subject to, and qualified in its entirety by reference to the terms and provisions of the Articles of Logan.

#### *Logan Shares*

The holders of Logan Shares are entitled to receive notice of and attend all meetings of shareholders of Logan (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Logan Share. Subject to the prior rights of holders of Logan Preferred Shares, holders of Logan Shares are entitled to dividends, if, as and when declared by the Logan Board, and, in the event of the liquidation, dissolution or winding-up of Logan, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs, to receive on a pro-rata basis all of the remaining property of Logan.

#### *Logan Preferred Shares*

The Logan Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Logan Preferred Shares as determined by the Logan Board, who may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of Logan Preferred Shares. The Logan Preferred Shares of each series shall, with respect to dividends, liquidation,

dissolution or winding-up of Logan, whether voluntary or involuntary, or any other distribution of the assets of Logan among its shareholders for the purpose of winding up its affairs, shall be entitled to preference over the Logan Shares and the shares of any other class ranking junior to the Logan Preferred Shares. The Logan Preferred Shares of any series may also be given such other preferences and priorities over the Logan Shares and any other shares of Logan ranking junior to such series of Logan Preferred Shares.

#### *Logan Transaction Warrants*

Spartan distributed the Logan Transaction Warrants issued to Spartan by Logan pursuant to the Conveyance Agreement to eligible Spartan Shareholders pursuant to the Distribution. The Logan Transaction Warrants are non-transferrable and entitle the holder thereof to acquire one (1) Logan Share at an exercise price of \$0.35 per Logan Share at any time on or before the close of business on July 31, 2023. The Logan Transaction Warrants were issued pursuant to the terms of the Warrant Indenture between Logan and Odyssey, in its capacity as warrant agent.

#### *Logan Financing Warrants*

The Logan Financing Warrants were issued to subscribers of Logan Units under the Logan Financing on a certificated basis. Logan Units were only be issued to the Logan Insider Shareholders. Each Logan Financing Warrant entitle the holder to purchase one (1) Logan Share at a price of \$0.35 per Logan Share for a period of five (5) years. The Logan Financing Warrants will vest and become exercisable as to one-third upon Market Price equaling or exceeding \$0.70, an additional one-third upon the Market Price equaling or exceeding \$0.7875 and a final one-third upon the Market Price equaling or exceeding \$0.875. For more information, please "*Item 5: Financings*" and "*Item 20: Risk Factors*" in this Listing Application.

#### *Stock Options*

Pursuant to the Option Plan, the total number of Logan Shares reserved for issuance pursuant to the Options granted and outstanding under the Option Plan and other share compensation arrangements, including but not limited to the Share Award Incentive Plan, shall not exceed a number of Logan Shares equal to 10% of the number of issued and outstanding Logan Shares. As of the date of this Listing Statement, no Options have been granted.

#### *Share Awards*

Pursuant to the Share Award Incentive Plan, the total number of Logan Shares reserved for issuance pursuant to the Share Awards granted and outstanding under the Share Award Incentive Plan and other share compensation arrangements, including but not limited to the Option Plan, shall not exceed a number of Logan Shares equal to 10% of the number of issued and outstanding Logan Shares. As of the date of this Listing Statement, no Share Awards have been granted.

#### *Debt Securities*

As of the date hereof, Logan has no debt securities issued and outstanding.

### **ITEM 10: DESCRIPTION OF SECURITIES TO BE LISTED**

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Logan has applied to list the Logan Shares on the TSXV. Listing of these securities will be subject to fulfilling all the requirements of the TSXV. **There are no assurances that the TSXV will list the Logan Shares.** The number of Logan Shares to be listed will be equal to 311,746,522, comprising of the following:

Logan Share issued in incorporation	1
Logan Shares issued pursuant to the Distribution	173,201,341
Logan Shares issued pursuant to the unit portion of the Logan Financing	64,286,100
Logan Shares issued pursuant to the common share portion of the Logan Financing	74,259,080
<b>Total Logan Shares at time of listing</b>	<b>311,746,522</b>

This is the aggregate amount of Logan Shares issued and outstanding as at the date hereof, and does not include the 237,487,441 Logan Shares issuable pursuant to the exercise of Logan Transaction Warrants or Logan Financing Warrants.

Logan has applied to list the Logan Shares on the TSXV under the symbol "LGN" and has received conditional approval from the TSXV. This conditional approval is subject to Logan fulfilling all listing requirements of the TSXV. While Logan anticipates meeting the TSXV's initial listing requirements of a Tier 1 Issuer and expects to be listed as such, listing of these securities will be subject to fulfilling all the minimum listing requirements of the TSXV. The Logan Warrants will not be listed on the TSXV. As at the date of this Listing Application, Logan does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

The holders of Logan Shares are entitled to receive notice of and attend all meetings of shareholders of Logan (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Logan Share. Subject to the prior rights of holders of Logan Preferred Shares, holders of Logan Shares are entitled to dividends, if, as and when declared by the Logan Board, and, in the event of the liquidation, dissolution or winding-up of Logan, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs, to receive on a pro-rata basis all of the remaining property of Logan. All of the Logan Shares outstanding are fully paid and non-assessable.

## **ITEM 11: CONSOLIDATED CAPITALIZATION**

The following table sets forth the capitalization of Logan as at March 31, 2023 before and after giving effect to the Spin-Out, the Distribution and the Logan Financing, as applicable.

	Authorized	Amount Outstanding as of Mar. 31, 2023 before giving effect to the Distribution and the Logan Financing <sup>(1)</sup>	Amount Outstanding as of Mar. 31, 2023 after giving effect to the Distribution but before giving effect to the Logan Financing	Amount Outstanding as of Mar. 31, 2023 after giving effect to the Distribution and the Logan Financing <sup>(2)</sup>
Logan Shares <sup>(2)</sup>	Unlimited	One (1) (\$1.00)	173.2 million (\$60.6 million)	311.7 million (\$109.1 million)
Logan Transaction Warrants <sup>(3)</sup>	Unlimited	Nil	173.2 million	173.2 million
Logan Financing Warrants <sup>(4)</sup>	Unlimited	Nil	Nil	64.3 million
Long Term Debt	Nil	Nil	Nil	Nil

### **Notes:**

- (1) The one Logan Share was issued to Spartan on incorporation of Logan on March 10, 2023. See "Prior Sales" in this Listing Application.
- (2) Up to an aggregate 10% of the number of Logan Shares issued and outstanding after giving effect to the Spin-Out and the Distribution and the Logan Financing will be reserved for issuance pursuant to the Option Plan and the Share Award Incentive Plan. See "Option Plan" and "Share Award Incentive Plan" in this Listing Application.
- (3) The Logan Transaction Warrants are non-transferrable and entitle the holder thereof to acquire one (1) Logan Share at an exercise price equal of \$0.35 per Logan Share at any time on or before the close of business on July 31, 2023.
- (4) The Logan Financing Warrants entitle the holder to purchase one (1) Logan Share at a price of \$0.35 per Logan Share for a period of five years. The Logan Financing Warrants will vest and become exercisable as to one-third upon the Market Price equaling or exceeding \$0.70, an additional one-third upon the Market Price equaling or exceeding \$0.7875 and a final one-third

upon the Market Price equaling or exceeding \$0.875.

## **ITEM 12: STOCK OPTION PLAN**

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The Logan Board has adopted the Option Plan and the Share Award Incentive Plan, which were approved by Spartan Shareholders at the Spartan Meeting. These plans were adopted by Logan to develop the interests of directors, officers, employees, consultants and other services providers of the company, and to provide such individuals with the opportunity to acquire an increased proprietary interest in Logan. Please see below for an overview of the material terms of each of the Option Plan and the Share Award Incentive Plan.

### **Option Plan**

The Option Plan was adopted by the Logan Board on April 14, 2023, and confirmed by the Spartan Shareholders at the Spartan Meeting on May 16, 2023, to attract and retain directors, officers, employees, consultants and other service providers of Logan or its subsidiaries through the issuance of Options. The purpose of the Option Plan is to incentivize such individuals to achieve the longer-term objectives of Logan; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Logan. No Options have been granted under the Option Plan as of the date hereof and none will be granted until after the listing of the Logan Shares on the TSXV. The full text of the Option Plan is appended to the Spartan Circular as Appendix "B", however a summary of the Option Plan is provided below.

#### *Eligibility and Participation*

Directors, officers, *bona fide* employees of Logan or its subsidiaries, or officers or employees of a person or company engaged by Logan to provide services for an initial, renewable or extendible period of twelve months or more to the company or its subsidiaries shall be eligible for selection to participate in the Option Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the TSXV, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Option Plan in the same manner as if the options were held by the Participant.

The Logan Board, or a delegated committee of the Logan Board, as applicable, shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Logan Shares to be subject to each option.

#### *Limitations & Amendments*

The Option Plan is administered by the Logan Board, or if appointed, by a special committee of directors appointed from time to time by the Board. The aggregate number of Logan Shares which may be reserved for issuance under the Option Plan and all other security-based compensation arrangements of the company, including the Share Award Incentive Plan, shall not exceed 10% of the company's issued and outstanding Logan Shares, and shall be subject to the following limitations:

- (a) the maximum number of Logan Shares issuable to insiders (as defined in the policies of the TSXV) of the company at any time under all security-based compensation arrangements, including the Option Plan and the Share Award Incentive Plan, shall not exceed 10% of the outstanding Logan Shares at any time (calculated on a non-diluted basis);
- (b) the maximum number of Logan Shares that may be issued to insiders of the company within any twelve-month year period under all security-based compensation arrangements, including the Option Plan and the Share Award Incentive Plan, shall not exceed 10% of the outstanding Logan

Shares, calculated on a non-diluted basis as at the date such security-based compensation is granted or issued;

- (c) the number of Logan Shares issuable to any one Participant within any twelve-month period under all security-based compensation arrangements including, without limitation, the Option Plan, shall not exceed 5% of the issued and outstanding securities of the company, calculated on a non-diluted basis as at the date such security-based compensation is granted or issued;
- (d) the number of Logan Shares issuable to any one consultant of the company within any twelve-month period under all security-based compensation arrangements including, without limitation, the Option Plan, shall not exceed 2% of the issued and outstanding securities of the company, calculated on a non-diluted basis as at the date such security-based compensation is granted or issued;
- (e) the number of Logan Shares issuable to any one participant conducting Investor Relations Activities (as such term is defined in the policies of the TSXV) within any twelve month period under all security-based compensation arrangements including, without limitation, the Option Plan and the Share Award Incentive Plan, shall not exceed 2% of the outstanding securities, calculated on a non-diluted basis as at the date such security-based compensation is granted or issued; and
- (f) the aggregate: (A) number of Logan Shares that may be reserved for issuance pursuant to the exercise of Options granted to non-executive directors pursuant to the Option Plan shall not exceed 1.0% of the Logan Shares outstanding from time to time; and (B) value of Options granted to any one non-employee director in any calendar year under the Option Plan and under any other security-based compensation arrangements shall not exceed \$150,000. Options grants pursuant to the Option Plan, or securities issued under any other security-based compensation arrangements, prior to the Participant becoming an Insider shall be included for the purposes of this section.

In addition to TSXV and shareholder approval, Logan will need to obtain disinterested shareholder approval for any grants or issuances that could result in the scenarios described in paragraphs (a), (b), and (c) above.

The number of Logan Shares subject to an Option granted to a Participant shall be determined by the Logan Board, or a delegated committee of the Logan Board, as applicable, but no Participant shall be granted an Option which exceeds the maximum number of Logan Shares permitted by any stock exchange on which the Logan Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Logan Shares covered by each Option shall be determined by the Logan Board, or a delegated committee of the Logan Board, as applicable, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Logan Shares are then listed, or other regulatory body having jurisdiction. Approval of the TSXV and disinterested shareholders of Logan will be required for the following amendments to the Option Plan or any Options issued thereunder: (a) any decrease in the exercise price of an Option if the Participant is an Insider of the company at the time of the proposed amendment; and (b) any extension to the term of an Option if the Participant is an Insider of the company at the time of the proposed amendment.

The Logan Board has the absolute discretion to amend or terminate the Option Plan. The only amendments to the Option Plan that would be subject to shareholder approval are amendments that would:

- (a) any increase in the number of Logan Shares reserved for issuance under the Option Plan;
- (b) any amendment to increase or remove the insider participation limits described above;

- (c) the provision of financial assistance to a Participant in connection with the exercise of Options;
- (d) any reduction in the exercise price of an Option, cancellation and reissue of Options or substitution of Options with cash or other awards on terms that are more favourable to the Participants;
- (e) any extension of the expiry of an Option, except as otherwise provided in the Option Plan;
- (f) an amendment that would permit Options to be transferable or assignable other than for normal estate settlement purposes;
- (g) any amendment that would materially modify the eligibility requirements for participation in the Option Plan;
- (h) amendments to the limitations with respect to Options that may be granted to non-employee directors; and
- (i) amendments to certain amending provisions requiring shareholder approval, as further described in the Option Plan.

#### *Exercise Price*

The exercise price of the Logan Shares subject to each option shall be determined by the Logan Board, or a delegated committee of the Logan Board, as applicable, when such Option is granted, provided that such price shall not be less than the Discounted Market Price (as such term is defined in the policies of the TSXV).

#### *Duration of Option*

Each Option and all rights thereunder shall expire on the date set out in the option agreement and shall be subject to earlier termination by ceasing to be a director, officer, consultant or employee or by death of the Participant, provided that in no circumstances shall the duration of an option exceed the five (5) years from the date of the grant of the Option.

The Option Plan does not confer upon a Participant any right with respect to continuation of employment by Logan, nor does it interfere in any way with the right of the company to terminate the Participant's employment at any time. Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the company. A Participant shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to any Option which would have vested or been granted after the Termination Date (as such term is defined in the Option Plan), or which could have been exercised after the Termination Date, including but not limited to damages in lieu of notice at common law.

Should the expiry date of an Option fall within a Black Out Period or within 10 business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the 10th business day after the end of the Black Out Period, such 10th business day to be considered the expiry date for such Option for all purposes under the Option Plan. The ten-business day period referred to in this paragraph may not be extended by the Board. "**Black Out Period**" for the purposes of the Option Plan means the period of time when, pursuant to any policies of the company, any securities of Logan may not be traded by certain persons as designated by the company, including any holder of an Option.

### *Vesting Period*

The vesting period or periods within this period during which an Option or a portion thereof may be exercised by a Participant shall be determined by the Logan Board, or a delegated committee of the Logan Board, as applicable. In the absence of any determination by the Logan Board, or a delegated committee of the Logan Board, as applicable, as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. However, grants to Participants performing Investor Relations Activities (as such term is defined in the policies of the TSXV) shall vest as to one-quarter on the date which is three months from the grant date, one-quarter on the date which is six months from the grant date, one-quarter on the date which is nine months from the grant date, and the final one-quarter on the date which is twelve months from the grant date. Further, the Logan Board may, in its sole discretion, subject to TSXV approval in the case of Options granted to Participants performing Investor Relations Activities, at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. In the case of options granted on February 29<sup>th</sup> of any year, the "anniversary date" shall be deemed to be February 28<sup>th</sup> of each of the subsequent years.

### *Change of Control*

In the event a Change of Control (as defined below) occurs, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options or the Option Plan for a period of time ending on the earlier of the expiry time of the Option and the 30<sup>th</sup> day following the effective date of the Change of Control.

For the purposes of the Option Plan, a "**Change of Control**" means any of the following:

- (a) the purchase or acquisition of any voting securities or convertible securities by a holder which results in such holder beneficially owning, or exercising control or direction over, voting shares or convertible securities such that, assuming only the conversion of convertible securities beneficially owned or over which control or direction is exercised by the holder, the holder would beneficially own, or exercise control or direction over, voting shares carrying the right to cast more than 50% of the votes attaching to all Logan Shares, but excluding any issue or sale of Logan Shares of the company to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement; or
- (b) Logan completes an amalgamation, arrangement, merger or other consolidation or combination of the company with another corporation which requires approval of the shareholders of Logan pursuant to its statute of incorporation and pursuant to which the shareholders of Logan immediately thereafter do not own shares of the successor or continuing corporation, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation; or
- (c) the election at a meeting of Logan's shareholders of that number of persons which would represent a majority of the Logan Board, as directors of Logan who are not included in the slate for election as directors proposed to the company's shareholders by Logan; or
- (d) the liquidation, dissolution or winding-up of Logan; or
- (e) the sale, lease or other disposition of all or substantially all of the assets of Logan; or
- (f) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (a), (b), (c), (d) and (e) referred to above; or

- (g) a determination by the Logan Board that there has been a change, whether by way of a change in the holding of the voting shares of the company, in the ownership of the company's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of Logan.

If approved by the Logan Board, or a delegated committee of the Logan Board, as applicable, Options may provide that, whenever the company's shareholders receive a Take-over Proposal (as defined below), such Option may be exercised as to all or any of the Logan Shares in respect of which such Option has not previously been exercised (including in respect of Options not otherwise vested at such time) by the Participant (the "**Take-over Acceleration Right**"), but any such Option not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such Take-Over Proposal. If for any reason any such Logan Shares are not so tendered or, if tendered, are not, for any reason taken up and paid for by the offeree pursuant to the Take-Over Proposal, any such Logan Shares so purchased by the Participant shall be and shall be deemed to be cancelled and returned to the treasury of Logan, and shall be added back to the number of Logan Shares, if any, remaining unexercised under the Option (and shall thus be available for exercise of the Option in accordance with the terms thereof) and upon presentation to Logan of share certificates or statements representing such Logan Shares properly endorsed for transfer back to the company, Logan shall refund to the Participant all consideration paid by him or her in the initial purchase thereof. The Take-over Acceleration Right shall commence at such time as is determined by the Logan Board, or a delegated committee of the Logan Board, as applicable, provided that, if the Logan Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Logan Board may resolve.

For the purposes of the Option Plan, "**Take-over Proposal**" means: (A) any proposal or offer by a third person, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the company's outstanding voting shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including any single or multi-step transaction or series of related transactions that is structured to permit such third person to acquire in any manner, directly or indirectly, more than 50% of its outstanding voting shares; or (B) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction or other business combination involving Logan.

#### *Outstanding Options*

As at the date hereof, no Logan Shares were reserved for issuance pursuant to the Option Plan.

#### **Share Award Incentive Plan**

The Share Award Incentive Plan was adopted by the Logan Board on April 14, 2023, and confirmed by the Spartan Shareholders at the Spartan Meeting on May 16, 2023, to authorize the Logan Board to issue Share Awards to directors, officer, employees, consultants and certain other service providers of Logan and, if applicable, its subsidiaries. No Share Awards have been granted under the Share Award Incentive Plan as of the date hereof and none will be granted until after the listing of the Logan Shares on the TSXV. The full text of the Share Award Incentive Plan is appended to the Spartan Circular as Appendix "C", however a summary of the Share Award Incentive Plan is provided below.

#### *Share Awards and Eligibility*

Performance share awards ("**Logan PSAs**") may be awarded to persons who are directors, officers, employees or consultants of the Logan or a subsidiary of the Logan ("**Eligible Persons**") as the Logan

Board or a committee of the Logan Board determines. Notwithstanding the foregoing, non-employee directors are not eligible to be awarded Logan PSAs. Logan PSAs are a unit equivalent to the value of a Logan Share, credited by means of a bookkeeping entry on the books of Logan in accordance with the Share Award Incentive Plan, based on the achievement of performance criteria set out in an applicable award notice.

Restricted share awards ("**Logan RSAs**") may be awarded to Eligible Persons as the Logan Board or a delegated committee of the Logan Board determines. Logan RSAs are a unit equivalent to the value of a Logan Share, credited by means of a bookkeeping entry on the books of Logan in accordance with the Share Award Incentive Plan.

The number of Share Awards (including fractional Share Awards) to be credited as of the date on which Share Awards are awarded to a Participant (the "**Award Date**") shall be determined by the Logan Board, or a delegated committee of the Logan Board, in its sole discretion. Upon receipt of acknowledgment in the manner specified under the Share Award Incentive Plan, Share Awards shall be credited to an account maintained for each Participant on the books of Logan, effective as of the Award Date for that grant.

#### *Vesting*

Each Share Award will vest on such terms as shall be specified by the Logan Board, or a delegated committee of the Logan Board, at the time of granting Share Awards as reflected in a notice substantially in the form of the schedules appended to the Share Award Incentive Plan, and in the case of the Logan PSAs, containing such other terms and conditions relating to an award of Logan PSAs as the Logan Board may prescribe ("**Award Notice**"), except as otherwise provided in the Share Award Incentive Plan. Unless otherwise stipulated by the Logan Board at the time of grant and subject to earlier vesting in accordance with the terms of the Share Award Incentive Plan:

- (a) Logan RSAs granted under the Share Award Incentive Plan shall vest as to 33 1/3% on each of the first, second and third anniversaries of the Award Date; and
- (b) Logan PSAs granted under the Share Award Incentive Plan shall vest on the third anniversary of the Award Date.

Except as permitted in the case of death or a Change of Control (as such term is defined below), no Share Awards issued pursuant to the Share Award Incentive Plan may vest before the date that is one year following the date of grant or issuance of same.

#### *Performance Vesting*

Prior to the Distribution Date (as defined below) in respect of any Logan PSA, the Logan Board, or a delegated committee of the Logan Board, shall assess the performance of Logan for the applicable period. The performance measures to be taken into consideration in granting Logan PSAs and determining the adjustment factor in respect of any Logan PSA shall be established by the Logan Board in its discretion at the time of the grant of the Logan PSA, and may include, without limitation, the total shareholder return of the Logan Shares compared to an index, subindex or identified group of peers and Logan's performance compared to identified operational or financial targets (the "**Performance Measures**"). The applicable adjustment factor may be between a minimum of zero and such maximum as determined by the Logan Board, or a delegated committee of the Logan Board, (provided such maximum shall not exceed 2.0) (the "**Adjustment Factor**"). The weighting of the individual measures comprising the Performance Measures shall be determined by the Logan Board, or a delegated committee of the Logan Board, as applicable, in its sole discretion having regard to the principal purposes of the Share Award Incentive Plan and, upon the assessment of all Performance Measures, the Logan Board, or a delegated committee of the Logan Board, shall determine the Adjustment Factor for the applicable period in its sole discretion.

The number of Logan PSAs which vest on a vesting date specified in an Award Notice is the number of Logan PSAs scheduled to vest on such date multiplied by the Adjustment Factor.

### *Settlement*

Unless otherwise determined by the Logan Board, or a delegated committee of the Logan Board, as applicable, in its sole discretion, the date of settlement of any Share Award (a "**Distribution Date**") shall be the applicable vesting date for such Share Award pursuant to the Share Award Incentive Plan, provided that, for greater certainty, the Logan Board may in its sole discretion impose additional or different conditions to the termination of the Distribution Date of any Share Award.

On the Distribution Date, the Logan Board, or a delegated committee of the Logan Board, as applicable, in its sole discretion, shall have the option of settling the Logan Shares issuable in respect of Share Awards by any or all of the following methods: (a) settlement in Logan Shares acquired by Logan on the TSXV; (b) the issuance of Logan Shares from the treasury of the company; or (c) for any participant who is not a U.S. taxpayer, payment by Logan of a cash amount per Share Award equal to the Settlement Market Value (as defined below) of the Payment Shares (as defined below) on the Distribution Date, net of applicable withholding tax. The Settlement Market Value per share is the VWAP of the Logan Shares listed on the TSXV, calculated by dividing the total value of the total volume of Logan Shares traded for the relevant period, for the five (5) trading days immediately preceding the Distribution Date.

No Distribution Date in respect of any Share Award may occur after the earlier of: (i) the 30th day after the participant ceases to be eligible to participate under the Share Award Incentive Plan; or (ii) the fifth anniversary of the Logan Award Date (the earlier of the two being the "**Final Date**"). With respect to any Share Awards awarded to a participant who is a U.S. taxpayer, the Distribution Date shall be the applicable vesting date established pursuant to the Share Award Incentive Plan.

Subject to any election by the Logan Board, or a delegated committee of the Logan Board, as applicable, to settle a Share Award in cash, as soon as practicable after each Distribution Date or on the Final Date (if the Distribution Date is the Final Date), Logan shall issue to the participant or to the participant's estate, a number of Logan Shares equal to the number of Share Awards in the participant's account that became payable on the Distribution Date (the "**Payment Shares**"). As of the Distribution Date, the Share Awards in respect of which such Logan Shares are issued or cash is paid shall be cancelled and no further payments shall be made to the participant under the Share Award Incentive Plan in relation to such Share Awards.

### *Change of Control*

In the event a Change of Control (as defined below) occurs, all Share Awards which have not otherwise vested in accordance with their terms shall immediately vest and the Performance Measures shall take into account, in determination of any Adjustment Factor in respect of any Logan PSAs, the period up to and including the Change of Control. Logan Shares issuable in respect of Share Awards shall be, and shall be deemed to be, issued to Participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with the Share Award Incentive Plan.

For the purposes of the Share Award Incentive Plan, a "**Change of Control**" means any of the following:

- (a) the acceptance by the holders of Logan Shares, representing in aggregate, more than 50% of all issued Logan Shares of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Logan Shares;
- (b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Logan Shares acquired) directly or indirectly, of beneficial ownership of

such number of Shares or rights to Logan Shares, if any, representing (assuming the full exercise of such rights to Logan Shares) more than 50% of the combined voting rights of the company's then outstanding Logan Shares;

- (c) the entering into of any agreement by Logan to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; provided that no change of control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Logan Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;
- (d) the passing of a resolution by the Logan Board or shareholders of Logan to substantially liquidate the assets or wind up the company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation winding up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of Logan in circumstances where the business of the company is continued and where the shareholdings remain substantially the same following the re-arrangement);
- (e) individuals who were members of the Logan Board immediately prior to a meeting of shareholders of Logan involving a contest for or an item of business relating to the election of directors, do not constitute a majority of the Logan Board following such contest or election;
- (f) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in the subparagraphs referred to above; or
- (g) a determination by the Logan Board, acting in good faith, that a change of control has occurred for the purpose of this clause.

#### *Total Shares Subject to Share Awards*

Unless otherwise approved by the TSXV (or such other exchange on which the Logan Shares may be listed from time to time) and the Shareholders:

- (a) the securities that may be issued to participants shall consist of those authorized but unissued Logan Shares which the Logan Board, or a delegated committee of the Logan Board, as applicable, has, in its discretion, reserved for issuance under the Share Award Incentive Plan from time to time;
- (b) subject to certain adjustment provisions described in the Share Award Incentive Plan, the aggregate number of Logan Shares that may be issuable pursuant to the Share Award Incentive Plan and all other security-based compensation arrangements, including the Option Plan, shall not exceed 10% of the issued and outstanding Logan Shares at the time of the grant calculated on a non-diluted basis;
- (c) the Logan Board shall not grant Share Awards under the Share Award Incentive Plan if the number of Logan Shares issuable pursuant to outstanding Share Awards, when combined with the number of Logan Shares issuable pursuant to outstanding Options and outstanding securities under any other security-based compensation arrangements of the company, including the Option Plan, would exceed 10% of the issued and outstanding Logan Shares at the time of the grant;
- (d) the number of securities issuable to insiders of the company (as a group), at any time, under all security-based compensation arrangements including, without limitation, the Share Award

Incentive Plan and the Option Plan, shall not exceed 10% of the issued and outstanding securities of the company at the time of grant calculated on a non-diluted basis;

- (e) the number of securities issued to insiders of the company (as a group), within twelve-month period, under all security-based compensation arrangements including, without limitation, the Share Award Incentive Plan and the Option Plan, shall not exceed 10% of the issued and outstanding securities of the company at the time of grant calculated on a non-diluted basis;
- (f) the number of Logan Shares issuable to any one participant within any twelve-month period under all security-based compensation arrangements including, without limitation, the Share Award Incentive Plan and the Option Plan, shall not exceed 5% of the issued and outstanding securities of the company at the time of grant calculated on a non-diluted basis;
- (g) the number of Logan Shares issuable to any one consultant of the company within any twelve-month period, under all security-based compensation arrangements including, without limitation, the Share Award Incentive Plan and the Option Plan, shall not exceed in aggregate 2% of the issue and outstanding securities of the company calculated on a non-diluted basis;
- (h) no securities shall be issued to any participants who are employees engaged in investor relation activities (as such term is defined in the policies of the TSXV);
- (i) the aggregate: (i) number of Logan Shares that may be reserved for issuance pursuant to the exercise of Logan RSAs granted to non-employee directors pursuant to the Share Award Incentive Plan shall not exceed 1.0% of the Logan Shares outstanding from time to time; and (ii) value of Logan RSAs granted to any one non-employee director in any calendar year under the Share Award Incentive Plan and under any other security-based compensation arrangements shall not exceed \$150,000;
- (j) to the extent Share Awards are exercised or to the extent any Share Awards are terminated for any reason or are cancelled, the Logan Shares subject to such Share Awards shall be added back to the number of Logan Shares reserved for issuance under the Share Award Incentive Plan and such Logan Shares will again become available for Share Award grants under the Share Award Incentive Plan; and
- (k) if the acquisition of Logan Shares by the company for cancellation should result in any of the above tests no longer being met, this shall not constitute non-compliance with the Share Award Incentive Plan for any awards outstanding prior to such purchase of Logan Shares for cancellation.

In addition to TSXV and shareholder approval, Logan will need to obtain disinterested shareholder approval for any grants or issuances that could result in the scenarios described in paragraphs (b), (d), (e) and (f) above.

For purposes of the calculations above, the Share Award Incentive Plan provides that it shall be assumed that all issued and outstanding Share Awards will be settled by the issuance of Logan Shares from treasury, notwithstanding the company's right to settle Share Awards in cash or by purchasing Logan Shares on the open market.

#### *Duration of Share Awards*

Each Share Award and all rights thereunder shall be expressed to expire on the date set out in the Award Notice and shall be subject to earlier termination by ceasing to be a director, officer, consultant or employee or by death or disability of the Participant.

Subject to the rules and regulations of the TSXV, and notwithstanding any other provisions of the Share Award Incentive Plan, if the Distribution Date of any Share Award occurs during or within 10 business days following the end of a Black-Out Period (as defined below), the Distribution Date of such Share Award shall be extended for a period of 10 business days following the end of the Black-Out Period (or such longer period as permitted by the TSXV or any other exchange on which the Logan Shares are listed and approved by the Board). "**Black-Out Period**" for the purposes of the Share Award Incentive Plan means the period of time when, pursuant to any policies of the company, any securities of Logan may not be traded by certain persons as designated by the company, including any holder of a Share Award.

#### *Amendments Subject to Shareholder Approval*

Subject to the applicable rules of the TSXV, the Logan Board has the absolute discretion to amend or terminate the Share Award Incentive Plan. The only amendments to the Share Award Incentive Plan that would be subject to shareholder approval are amendments that would:

- (a) increase the number of securities issuable under the Share Award Incentive Plan otherwise than in accordance with the terms of the Share Award Incentive Plan;
- (b) increase the number of securities issuable to an insider of the company, as such term is defined in the policies of the TSXV, otherwise than in accordance with the terms of the Share Award Incentive Plan;
- (c) extend the Distribution Date of any Share Awards held by insiders of the company, as such term is defined in the policies of the TSXV, beyond the original Final Date of the Share Awards;
- (d) reduce the award market value of any Share Awards held by insiders of the company, as such term is defined in the policies of the TSXV, otherwise than in accordance with the terms of the Share Award Incentive Plan;
- (e) add any form of financial assistance to a participant in the Share Award Incentive Plan;
- (f) permit a participant to transfer any Share Awards to a new beneficial holder other than for estate settlement purposes;
- (g) increase the maximum number of Logan RSAs that may be granted to non-employee directors; and
- (h) amend the amendment provisions of the Share Award Incentive Plan.

#### *Outstanding Share Awards*

As at the date hereof, no Logan Shares were reserved for issuance pursuant to the Share Award Incentive Plan.

### **ITEM 13: PRIOR SALES**

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The following table sets forth the Logan Shares issued by Logan since incorporation:

<b>Date</b>	<b>Number of Logan Shares Issued</b>	<b>Issue Price Per Share (\$)</b>	<b>Aggregate Issue Price (\$)</b>	<b>Nature of Consideration</b>
March 23, 2023 <sup>(1)</sup>	One (1)	\$1.00	\$1.00	Cash
June 20, 2023 <sup>(2)</sup>	173.2 million	\$0.35	\$60.6 million	Securities
July 12, 2023 <sup>(3)</sup>	137.1 million	\$0.35	\$48.5 million	Cash

**Note:**

- (1) The Logan Share issued to Spartan on March 23, 2023 in connection with the organization of Logan.
- (2) Pursuant to the Conveyance Agreement, Logan issued an aggregate of 173.2 million Logan Shares and 173.2 million Logan Transaction Warrants to Spartan as purchase consideration for the Logan Assets, which securities were distributed by Spartan to eligible Spartan Shareholders pursuant to the Distribution. The Logan Transaction Warrants expire on July 31, 2023.
- (3) Pursuant to the Logan Financing, 74.3 million Logan Shares and 64.3 million Logan Units were issued at a subscription price of \$0.35 per Logan Share or Logan Unit, as applicable.

Please see "*Item 6: Financings*" above for more information on the Spin-Out, the Distribution and the Logan Financing, and the securities issued thereunder.

As of the date hereof, Logan has no securities posted or listed for trading on any Canadian or foreign market, however, Logan has applied to list the Logan Shares. For more information, see "*Item 10: Description of Securities to be Listed*".

#### **ITEM 14: ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER**

The following securities will be held in escrow for 18 months by or upon listing on the TSXV in accordance with the policies of the TSXV:

<b>Designation of Class</b>	<b>Number of Securities Held in Escrow / Subject to Contractual Restrictions on Resale<sup>(1)</sup></b>	<b>Percentage of Class</b>
Logan Shares	71,029,030 <sup>(2)</sup>	22.8% <sup>(3)</sup>

**Notes:**

- (1) Securities will be held in escrow by in escrow by Odyssey Trust Company, the Corporation's transfer agent. Subject to the TSXV's discretion to release escrowed securities in circumstances and on terms it deems appropriate, 25% of the escrowed securities will be released on the date the Final Exchange Bulletin (as defined in Exchange Policy 1.1), with 25% of the escrowed securities to be released on the dates that are 6 months, 12 months and 18 months after the date of the Exchange Bulletin, in accordance with additional customary terms and conditions set forth in the Exchange's Form 5D – Escrow Agreement (Value Security).
- (2) Comprised of Logan Shares that were issued to Principals (as such term is defined in TSXV Policy 1.1) of Logan under the Logan Financing.
- (3) Percentage is based on 311,746,522 Logan Shares issued and outstanding, which includes Logan Shares issued under the Logan Financing but excludes Logan Shares issuable upon exercise of the Logan Transaction Warrants and the Logan Financing Warrants.

#### **ITEM 15: PRINCIPAL SECURITYHOLDERS**

To the knowledge of Logan, as at the date hereof, no person or corporation owns or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Logan Shares other than as set out below.

<b>Name and Municipality of Residence</b>	<b>Ownership</b>	<b>Number and Percentage of Logan Shares held as of the date hereof</b>
<b>GMT Capital Corp.</b> <i>Atlanta, United States</i>	Registered and Beneficial <sup>(1)</sup>	54,211,900 Logan Shares (17.4%) <sup>(2)</sup>

**Note:**

- (1) The Logan Shares are held through the following managed accounts of GMT: Bay Resources Partners LP; Bay II Resource Partners LP; Bay Resource Partners Offshore Master Fund LP; Thomas Claugus; and GMT Exploration Company LLC. Mr. Tom Claugus is the President of GMT Capital Corp. and is primarily responsible for directing its investment decisions.
- (2) This number represents the number of Logan Shares held by GMT through its managed accounts following the closing of the Logan Financing. Percentage is based on 311,746,522 Logan Shares issued and outstanding, which includes Logan Shares issued under the Logan Financing but excludes Logan Shares issuable upon exercise of the Logan Transaction Warrants and the Logan Financing Warrants.

**ITEM 16: DIRECTORS AND EXECUTIVE OFFICERS**

The following table provides the name, municipality of residence, positions held with Logan, principal occupation during the preceding five (5) years, and the *pro forma* holdings of Logan Shares following completion of the Logan Financing of each of the current directors and executive officers of Logan. The below table includes Logan Shares issuable pursuant to the exercise of Logan Transaction Warrants in full, but does not include any Logan Shares issuable pursuant to the exercise of Logan Financing Warrants.

Name and Residence	Position	Held Office Since	Principal Occupation for the Past Five Years	Holdings of Logan Shares <sup>(1)</sup>
<b>Richard (Rick) McHardy</b> <i>Alberta, Canada</i>	President & Chief Executive Officer	March 2023	Executive Chairman and co-founder of Spartan since December 19, 2019. Prior thereto, President, Chief Executive Officer and a director of Spartan Energy from December 2013 to May 2018.	23,660,822 (4.88%)
<b>Brendan Paton</b> <i>Alberta, Canada</i>	Vice President, Engineering & Chief Operating Officer	June 2023	Vice President, Engineering, of Spartan from March 2021 to July 2023. Prior thereto, Manager (Engineering) of Spartan from December 2019 to March 2021; President of Canoe Point Energy Ltd. from June 2018 to December 2019; and Production Engineer at Shell Canada Limited from July 2011 to June 2018.	10,268,640 (2.12%)
<b>Ashley Hohm</b> <i>Alberta, Canada</i>	Vice President, Finance & Chief Financial Officer	June 2023	Vice President, Finance and Controller of Spartan from March 2021 to July 2023. Prior thereto, Controller of Spartan from December 2019 to March 2021 and Vice President, Finance of Kelt Exploration Ltd. from March 2016 to April 2018.	8,493,262 (1.75%)
<b>Craig Martin</b> <i>Alberta, Canada</i>	Vice President, Operations	June 2023	Vice President, Operations, of Spartan from December 2019 to July 2023. Prior thereto, Professional Engineer with Vermilion Energy Inc. from May 2018 to October 2019. Prior thereto, Manager, Drilling and Completions, at Spartan Energy from February 2014 to May 2018.	11,564,184 (2.38%)
<b>Fotis Kalantzis<sup>(4)</sup></b> <i>Alberta, Canada</i>	Chairman and Director	June 2023	President, Chief Executive Officer and co-founder of Spartan since December 19, 2019. Prior thereto, senior officer and co-founder of: Spartan Energy Corp. from December 2013 to May 2018; Spartan Oil Corp. from June 2011 to January 2013; and Spartan Exploration Ltd. from January 2008 to June 2011.	20,946,030 (4.32%)
<b>Geri Greenall<sup>(2)(3)</sup></b> <i>Alberta, Canada</i>	Director	June 2023	Chief Financial Officer of Spartan since December 19, 2019. Independent director, Chair of the Reserves Evaluation Committee and a member of the Audit Committee of Kelt Exploration Ltd. since December 2017. Co-founder and Chief Financial Officer of Camber Capital Corp., a fund manager offering private client and institutional fund management services, from May 2011 to December 2019.	6,125,190 (1.26%)
<b>Reginald Greenslade<sup>(4)</sup></b> <i>Alberta, Canada</i>	Director	June 2023	Independent businessman and Director of Cleantek Industries Inc., an environmental technology-based company that provides specialized and fully integrated wastewater treatment and disposal equipment along with turnkey sustainable lighting rental solutions. Director of Spartan Energy from December 2013 to May 2018.	6,983,668 (1.44%)

Name and Residence	Position	Held Office Since	Principal Occupation for the Past Five Years	Holdings of Logan Shares <sup>(1)</sup>
<b>Donald Archibald</b> <sup>(2)(3)</sup> <i>Alberta, Canada</i>	Director	June 2023	Independent businessman; President of Cypress Energy Corp., a private investment company, since March 2008. Mr. Archibald also serves on the board and various committees of Palisade Capital, Panorama Mountain Resort, Petronas Energy Canada, UCEED Energy Fund and Willow Biosciences Inc.	7,009,420 (1.45%)
<b>Pat Ward</b> <sup>(3)(4)</sup> <i>Alberta, Canada</i>	Director	June 2023	President, CEO and director of Aqua Solutions Inc., a private, green, mid-stream company, since August 2021. Previously, he was the founder, director, President and CEO of Painted Pony Energy Ltd. from May 2007 to October 2020, when it was acquired by Canadian Natural Resources Limited.	1,438,600 (0.30%)
<b>Ron Hozjan</b> <sup>(2)</sup> <i>Alberta, Canada</i>	Director	June 2023	Vice President, Finance and Chief Financial Officer of Aureus Energy Services Inc., an environmental, social and governance (ESG) focused water management company, since January 2020. Prior thereto, Vice President, Finance and Chief Financial Officer of Tamarack Valley Energy Ltd. from June 2010 until January 2020.	1,000,000 (0.21%)
<b>Sanjib (Sony) Gill</b> <i>Alberta, Canada</i>	Corporate Secretary	June 2023	Partner at Stikeman Elliott LLP, a national law firm, practicing primarily in the areas of corporate finance, securities and mergers and acquisitions transactions. Prior thereto, Mr. Gill was a partner at another national Canadian law firm.	2,857,200 (0.59%)

**Notes:**

- (1) Including Logan Shares issuable pursuant to the Distribution and the Logan Financing, and assuming the full exercise of Logan Transaction Warrants issuable pursuant to the Distribution. This does not include any Logan Shares issuable pursuant to the exercise of the Logan Financing Warrants issued under the Logan Financing.
- (2) The Audit Committee is comprised of Ron Hozjan (Chairperson), Donald Archibald and Geri Greenall.
- (3) The Corporate Governance and Compensation Committee is comprised of Pat Ward (Chairperson), Geri Greenall and Donald Archibald.
- (4) The Reserves and Environment Committee is comprised of Reginald Greenslade (Chairperson), Pat Ward and Fotis Kalantzis.

**Logan has established an Audit Committee, a Corporate Governance and Compensation Committee and a Reserves and Environment Committee. Members of these committees are set forth above.**

Each of the directors of Logan will hold office until the first annual meeting of the holders of Logan Shares or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with Logan's articles or by-laws.

As at the date hereof, assuming full exercise of the Logan Transaction Warrants, the current directors and executive officers of Logan, as a group, own or control or direct, directly or indirectly, approximately 100.3 million Logan Shares, being approximately 20.8% of the issued and outstanding Logan Shares.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of management of Logan, except as disclose below:

- (a) no director or executive officer is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other issuer that, while that person was acting in that capacity: (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to a cease trade order, an order similar to a cease trade order or

an order that denied the relevant issuer access to any exemptions under securities legislation that was issued after the director or officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

- (b) no director, executive officer or any shareholder holding a sufficient number of securities of Logan to affect materially the control of Logan, or a personal holding company of any such person: (i) is, or within the ten years prior to the date hereof has been, a director or executive officer that, while that person was acting in that capacity, or 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; or (ii) has, within the 10 years preceding the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or being subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual; and
- (c) no director, executive officer or any shareholder holding a sufficient number of securities of Logan to affect materially the control of Logan, within the last 10 years, has: (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On November 5, 2020, the Alberta Securities Commission ("**ASC**"), as principal regulator, issued a cease trade order against Target Capital Inc. ("**Target**"), for failure to file the required period disclosure. Mr. Hozjan was appointed to the board of directors of Target on September 16, 2020 to restore public reporting. On April 18, 2022, Target filed the outstanding period disclosure and submitted an application to the ASC to revoke the cease trade order. On May 8, 2023, the cease trade order was revoked.

### **Conflicts of Interest**

Circumstances may arise where directors or officers of Logan are directors or officers of companies, which are in competition to the interests of Logan. Pursuant to the ABCA, directors who have an interest in a proposed transaction upon which the Logan Board is voting are required to disclose their interests and refrain from voting on the transaction.

As at the date hereof, Logan is not aware of any existing or potential material conflicts of interest between Logan and a subsidiary of Logan and a director or officer of Logan or of a subsidiary of Logan. The ABCA provides that for contracts and transactions between "affiliates" (which Spartan and Logan are) directors need not refrain from voting in respect of such contracts.

### **Previous Reporting Issuer Experience of the Directors and Officers of Logan**

The following table sets the previous reporting issuer experiences of the directors and officers of Logan for the last five (5) years from the date of this Listing Application.

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From (Mo/Year)	To (Mo/Year)
<b>Richard (Rick) McHardy</b>	Spartan Delta Corp. (Alberta)	TSX	Executive Chairman Chairman	12/2019 06/2023	06/2023 Present
	Spartan Energy Corp. (Alberta)	TSX	President & Chief Executive Officer	12/2013	05/2018
	Cleantek Industries Inc. (Alberta)	TSXV	Director	10/2021	Present
<b>Brendan Paton</b>	Spartan Delta Corp. (Alberta)	TSX	Vice President, Engineering	03/2021	06/2023
<b>Ashley Hohm</b>	Spartan Delta Corp. (Alberta)	TSX	Vice President, Finance and Controller	03/2021	06/2023
	Kelt Exploration Ltd. (Alberta)	TSX	Vice President, Finance	03/2016	04/2018
<b>Craig Martin</b>	Spartan Delta Corp. (Alberta)	TSX	Vice President, Operations	12/2019	06/2023
<b>Fotis Kalantzis</b>	Spartan Delta Corp. (Alberta)	TSX	President & Chief Executive Officer Director	12/2019 12/2019	Present Present
	Spartan Energy Corp. (Alberta)	TSX	Senior Vice President, Exploration	12/2013	05/2018
	Willow Biosciences Inc. (Alberta)	TSX	Director	04/2019	Present
<b>Geri Greenall</b>	Spartan Delta Corp. (Alberta)	TSX	Chief Financial Officer	12/2019	Present
	Kelt Exploration Ltd. (Alberta)	TSX	Director	12/2017	Present
<b>Reginald Greenslade</b>	Spartan Delta Corp. (Alberta)	TSX	Director	12/2019	Present
	Spartan Energy Corp. (Alberta)	TSX	Director	12/2013	05/2018
	Cleantek Industries (Alberta)	TSXV	Director	10/2021	Present
<b>Donald Archibald</b>	Spartan Delta Corp. (Alberta)	TSX	Director	12/2019	Present
	Willow Biosciences Inc. (Alberta)	TSX	Director	04/2019	Present
	Cequence Energy Ltd. (Alberta)	TSX	Director & Chairman	07/2009	09/2020
<b>Pat Ward</b>	Painted Pony Energy Ltd.	TSX	President &	05/2007	10/2020

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From (Mo/Year)	To (Mo/Year)
	(Alberta)		Chief Executive Officer Director	05/2007	10/2020
	Pulse Seismic Inc. (Alberta)	TSX	Director	05/2023	Present
<b>Ron Hozjan</b>	Tamarack Valley Energy Ltd. (Alberta)	TSX	Vice President, Finance & Chief Financial Officer	06/2010	01/2020
	Nova Cannabis Inc. (Alberta)	TSX	Director	06/2018	Present
	Carbeeza Inc. (Alberta)	TSXV	Director	06/2021	Present
	Tenth Avenue Petroleum Corp. (Alberta)	TSXV	Director	12/2021	Present
	Target Capital Inc. (Alberta)	NEX	Director	09/2020	Present
<b>Sanjib (Sony) Gill</b>	Spartan Delta Corp. (Alberta)	TSX	Corporate Secretary	12/2019	Present
	Tamarack Valley Energy Ltd. (Alberta)	TSX	Corporate Secretary	01/2017	Present
	Willow Biosciences Inc. (Alberta)	TSX	Corporate Secretary	04/2019	Present
	Southern Energy Corp. (Alberta)	TSXV	Corporate Secretary	01/2019	Present
	Lycos Energy Inc. (Alberta)	TSXV	Corporate Secretary	12/2022	Present
	Top Strike Resources Corp. (Alberta)	CSE	Corporate Secretary	09/2018	Present
	Target Capital Inc. (Alberta)	NEX	Corporate Secretary	12/2017	Present
	SugarBud Craft Growers Corp. (Alberta)	OTC	Corporate Secretary	07/2018	08/2022
	YSS Corp. (Alberta)	TSXV	Corporate Secretary	06/2018	03/2021
	Razor Energy Corp. (Alberta)	TSXV	Corporate Secretary	01/2017	08/2020
	Spartan Delta Corp. (Alberta)	TSX	Corporate Secretary	12/2013	05/2018

## **ITEM 17: EXECUTIVE COMPENSATION**

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### **Year Ended December 31, 2022**

During the financial year ended December 31, 2022, Logan had no executive officers and no salary or other form of compensation by Logan.

### **Expectations for the Year Ended December 31, 2023**

#### ***Executive Compensation Discussion and Analysis***

Logan's success depends greatly on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if Logan has an appropriately structured and executed compensation program. The principal objectives of Logan's compensation program are to: (a) attract and retain qualified officers and employees; (b) align officer and employee interests with those of the shareholders; and (c) reward both demonstration of leadership and performance as measured against specific objectives.

#### ***Executive Compensation Philosophy, Objectives and Governance***

The Board intends on adopting an executive compensation policy that is designed to attract and retain qualified and experienced executives who will contribute to the success of Logan. Compensation of the executive officers and the directors of Logan will be monitored by the Corporate Governance and Compensation Committee, on behalf of the Logan Board. The members of the Corporate Governance and Compensation Committee of the Logan Board are Pat Ward (Chairperson), Geri Greenall and Donald Archibald.

Logan's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of Logan for the benefit of its shareholders. Executive compensation, including officer compensation, will be comprised of three elements: base salary, short-term incentive compensation (cash bonuses) and long-term incentive compensation (Options and Share Awards). The Chief Executive Officer (CEO) and the Corporate Governance and Compensation Committee will review all three components in assessing the compensation of individual officers and of Logan as a whole. Salaries and bonuses are intended to provide current compensation and a short-term incentive for employees to meet Logan's goals, as well as to remain competitive with an industry that possesses a competitive hiring environment, particularly in relation to companies of Logan's size. Logan's compensation policies are designed to help Logan attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value.

The CEO together with the Corporate Governance and Compensation and the Logan Board will also review compensation policies to ensure that they are competitive within the petroleum and natural gas industry and consistent with the performance of Logan. When determining executive compensation, including the assessment of the competitiveness of Logan's compensation practices, the Corporate Governance and Compensation Committee will review the compensation information available in the public domain from companies with similar production, operation size and scope as Logan. Some of the salary information available in the public domain with respect to these companies can be outdated and therefore Logan may also obtain industry reports providing salary levels. The industry reports provide general information about levels of compensation in the oil and gas industry or with respect to specific professions and not specific metrics about companies in Logan's peer group.

#### ***Components of Executive Compensation***

The components of executive compensation of Logan are discussed below. Although each of the components has different objectives, each will be considered by the Corporate Governance and Compensation Committee to be equally important, and each shall be competitive within Logan's peer

group.

### ***Base Salaries***

The Logan Board recognizes that the size of Logan prohibits base salary compensation for officers from matching those of larger companies in the petroleum and natural gas industry. Logan does believe, however, that performance-based compensation plans are an important element in the compensation packages for Logan's officers, and that long-term equity interests, in the form of Options and Share Awards, compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in Logan's peer group.

Base salaries for officers, including the CEO, will be established by the Corporate Governance and Compensation Committee at levels comparable to base salaries paid by Logan's industry peer group. In assessing comparability, Logan will rely on a review of base salary amounts as disclosed by industry peers in their public disclosure documents and may rely upon other remuneration data provided by an independent human resources consulting firm. Consideration will be given to the time period evaluated in industry surveys and public data and to the business climate applicable at the time with respect to industry demand for experienced personnel. Salaries of officers, including that of the CEO, will be reviewed annually.

### ***Bonuses***

Logan does not have a formal bonus plan at this time, but may award discretionary bonuses. The award of a bonus will be recommended, in all cases (excluding the CEO), by the CEO and, if approved by the Corporate Governance and Compensation Committee, then recommended to the Logan Board for final approval. The CEO's bonus will be established by the Corporate Governance and Compensation Committee in consultation with the Logan Board. Bonus awards will ultimately be at the discretion of the Logan Board upon recommendation of the Corporate Governance and Compensation Committee, based on corporate, departmental and individual performance. The discretionary bonus plan is structured to drive and reward current year results.

### ***Long-Term Incentive Compensation***

On April 14, 2023, the Board adopted the Option Plan and the Share Award Incentive Plan. Both the Option Plan and the Share Award Incentive Plan were approved by Spartan Shareholders at the Spartan Meeting.

Options and Share Awards granted under the Option Plan and the Share Award Incentive Plan, respectively, will normally be awarded by the Board upon the commencement of employment with Logan based on the level of responsibility within Logan. Additional grants may be made periodically to ensure that the number of Options or Share Awards granted to any particular individual is commensurate with the individual's level of ongoing responsibility within Logan. When determining the value of the grant of such compensation securities, a number of factors will be considered, including the number of outstanding securities held by such individual, the value of the securities held by such individual, and the total number of compensation securities available for grant.

For more details about Logan's securities compensation plans, please see "*Item 11: Stock Option Plans*" in this Listing Application. Full copies of each of the Option Plan and the Share Award Incentive Plan, respectively, are appended to the Spartan Circular as Appendices "B" and "C", respectively. The Spartan Circular may be viewed on the SEDAR profile for Spartan at [www.sedar.com](http://www.sedar.com). Logan does not currently provide its officers, including the CEO, with pension plan benefits or retiring allowances.

### ***Risk Considerations***

The Corporate Governance and Compensation Committee intends to review from time to time and at least once annually, the risks, if any, associated with Logan's compensation policies and practices at such time. Implicit in the Corporate Governance and Compensation Committee's mandate is that Logan's policies and practices respecting compensation, including those applicable to Logan's executives, be designed in a manner which is in the best interests of Logan and its shareholders and risk implications is one of many considerations which are taken into account in such design.

It is anticipated that a portion (set at a level consistent with its industry peers) of Logan's executive compensation will consist of Options and Share Awards. Such compensation is both "long term" and "at risk" and, accordingly, is directly linked to the achievement of long term value creation. As the benefits of such compensation, if any, are not realized by the executive until a significant period of time has passed, the ability of executives to take inappropriate or excessive risks that are beneficial to them from the standpoint of their compensation at the expense of Logan and its shareholders is extremely limited.

The other two elements of compensation, salary and bonus, represent the remaining portion of an executive's total compensation. While neither salary nor bonus are "long term" or "at risk", as noted above, these components of compensation represent a relatively small part of total compensation and as a result it is unlikely that an executive would take inappropriate or excessive risks at the expense of Logan and its shareholders that would be beneficial to them from the standpoint of their short term compensation when their long term compensation might be put at risk from their actions.

In addition, the Board intends on adopting an anti-hedging policy, which will be applicable to all directors, officers and employees of Logan, forbidding, among other things, such persons from purchasing any derivative contract designed to hedge or offset a decrease in the market value of Logan's securities which further restricts an executive's ability to take any action beneficial to them from a standpoint of their compensation of the expenses or contrary to the interests of Logan.

The Board anticipates minimal risks arising from Logan's executive compensation policies and practices which are reasonably likely to have a material adverse effect on Logan. For subsequent years, the Corporate Governance and Compensation Committee will continue to review the risks associated with Logan's compensation practices.

### **Summary Compensation Table**

As of the date hereof, the exact compensation allocated to the Named Executive Officers (as such term is defined in Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) of Logan has not been determined, as such compensation will vary on a monthly basis depending on certain factors such as the performance of the Logan Assets and other factors as discussed under "*Compensation Discussion and Analysis*". However, management of Logan expects to allocate compensation to its Named Executive Officers in a manner consistent with that of Spartan. For a detailed discussion of the compensation principles of Spartan, see "*Compensation Discussion and Analysis*" as contained in the Spartan Circular.

### **Stock Options and Other Compensation Securities**

As of the date hereof, Logan does not have any share-based awards or option-based awards outstanding.

### **Stock Option Plans and Other Incentive Plans**

Logan adopted the Option Plan and the Share Award Incentive Plan. For an overview of the material terms of each plan, please refer to "*Item 12: Stock Option Plan*".

### **Employment, Consulting and Management Agreements**

As at the date hereof, Logan does not have any employment agreements with any of its officers. Pursuant to option agreements to be entered into in respect of any outstanding options or share awards, in certain

circumstances as outlined in the Option Plan and Share Award Incentive Plan, respectively, the vesting of options or share awards granted thereunder are accelerated.

**ITEM 18: INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

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At no time since the incorporation of Logan has there been any indebtedness of any director or officer of Logan, any proposed directors of Logan, or any associate or affiliate of any such director or officer, to Logan or to any other entity which is, or at any time since the beginning of the most recently completed financial period has been, the subject of a guarantee, support agreement, letter of agreement or other similar arrangement or understanding provided by Logan.

**ITEM 19: AUDIT COMMITTEES AND CORPORATE GOVERNANCE**

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**Audit Committee**

The purpose of the Audit Committee to the Logan Board is to provide assistance to the Logan Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of Logan. It is the objective of the Audit Committee to maintain a free and open means of communications among the Logan Board, the independent auditors and the senior management of Logan. As at the date hereof, the members of the Audit Committee of the Board are Ron Hozjan (Chairperson), Donald Archibald and Geri Greenall.

*Audit Committee Charter*

Logan's Audit Committee charter was adopted by the Board on June 20, 2023. The full text of the Audit Committee Charter is attached hereto as Appendix "E". The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls, as well as, to work with the external auditors to ensure the accuracy of the company's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

*Composition of the Audit Committee*

As of the date hereof, the Audit Committee is comprised of:

<u>Name of Director</u>	<u>Independent (Yes / No)</u>	<u>Financially Literate (Yes / No)</u>
Ron Hozjan (Chairperson)	Yes	Yes
Geri Greenall	Yes	Yes
Donald Archibald	Yes	Yes

**Note:**

(1) As defined in NI 52-110.

*Relevant Education and Experience*

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

Mr. Hozjan is currently a director of Nova Cannabis Inc., Carbeeza Inc., Tenth Avenue Petroleum Corp., and Target Capital Inc., and Vice President, Finance and Chief Financial Officer of Aureus Energy Services Inc. prior to which he was the Vice President, Finance and Chief Financial Officer of Tamarack Valley Energy Ltd. He has over 20 years of experience as a senior financial officer, primarily with publicly

traded companies. He is a CPA with extensive experience of successfully growing several energy companies from start-up to mid-cap size. His strengths are in capital markets, finance and accounting, mergers and acquisitions, internal controls and all other facets.

Ms. Greenall is currently a director of Kelt Exploration Ltd. and Lycos Energy Inc., and the Chief Financial Officer of Spartan Delta Corp. She has over 22 years of experience in the energy and financial services sectors, including over a decade of experience as a Portfolio Manager and Chief Compliance Officer for investment fund managers and a strong background in both public equity analysis and commodity trading. Ms. Greenall received a Bachelor of Commerce in Finance from the University of Calgary as well as the Chartered Financial Analyst and Institute of Corporate Directors designations. Ms. Greenall also holds the FSA Level 1 Credential from the Sustainable Accounting Standards Board.

Mr. Archibald is currently a director of Spartan Delta Corp. and Willow Biosciences Inc. He has been an independent businessman since March 2008, prior to which he acted as an executive officer for a public oil and gas company. Mr. Archibald has held senior executive positions in oil and gas issuers and has participated as a member of audit committees in the past.

Each member of the Audit Committee has:

- (a) an understanding of the accounting principles used by Logan to prepare its financial statements.
- (b) the ability to assess the general application of those principles in connection with the accounting for estimates, accruals and provisions;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Logan's financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

#### *Audit Committee Oversight*

At no time since the incorporation of Logan has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

#### *Pre-Approval Policies and Procedures*

The Audit Committee is authorized by the Board to review the performance of Logan's external auditors, and approve in advance the provision of services other than audit services and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by Logan. The Audit Committee is authorized to approve any non-audit services or additional work, which the Chair of the Audit Committee deems as necessary.

#### *External Auditor Service Fees*

As of the date of this Listing Statement, Logan has not paid any fees to external auditors since incorporation. However, Logan incurred approximately \$40,000.00 in audit fees and all other fees (as such terms are defined in Form 52-110F2 – *Disclosure by Venture Issuers*, which fees were paid by Spartan in connection with the Spin-Out.

#### *Reliance on Certain Exemptions*

Logan is proposing to list the Logan Shares to the TSXV to become a "venture issuer" as defined in NI 52-110, and, subsequent to listing, intends to rely on the exemptions contained in Section 6.1 of NI 52-110, which would exempt Logan from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 of NI 52-110 (*Reporting Obligations*).

### **Corporate Governance Disclosure**

The following sets out information in respect of Logan's proposed corporate governance practices in accordance with NI 58-101.

#### **Board of Directors**

The Logan Board is comprised of seven (7) directors, of which four (4) are independent within the meaning of "independence" in section 1.4 of NI 52-110. Accordingly, a majority of the Logan Board of Directors is independent. All of the directors of Logan are independent except for Messrs. McHardy and Kalantzis and Ms. Greenall. Mr. McHardy is not considered independent by virtue of being the President and Chief Executive Officer of Logan. Mr. Kalantzis and Ms. Greenall are not considered independent by virtue of being executive officers of Spartan.

In order to facilitate the exercise of independent judgment, it is expected that members of the Logan Board will recuse themselves from the discussion of and voting on any matters of Logan which may be perceived to place them in a conflict of interest. In addition, it is anticipated that the independent directors of Logan will hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance, typically in conjunction with each regularly scheduled meeting of the Logan Board. Further, the Logan Board is expected to facilitate its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Logan Board will examine the effectiveness of Logan's internal control processes and information systems.

#### **Directorships**

Several of Logan's directors serve as directors of other reporting issuers as indicated in the table below.

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>
Richard (Rick) McHardy	Spartan Delta Corp. Cleantek Industries Inc.
Fotis Kalantzis	Spartan Delta Corp. Willow Biosciences Inc.
Reginald Greenslade	Spartan Delta Corp. Cleantek Industries Inc.
Geri Greenall	Kelt Exploration Ltd.
Donald Archibald	Spartan Delta Corp. Willow Biosciences Inc.
Pat Ward	Pulse Seismic Inc.
Ron Hozjan	Nova Cannabis Inc. Carbeeza Inc.

### **Board Mandate**

The Logan Board adopted a Board Mandate effective June 20, 2023, a copy of which is appended hereto as Appendix "D".

### **Orientation and Continuing Education**

Logan has not yet developed a formal orientation and continuing education program for new directors as Logan was only recently incorporated. It is anticipated that Logan will develop an orientation program for new directors to be set forth in a director's manual (the "**Director's Manual**"). The Director's Manual is expected to contain, among other things, information regarding the roles and responsibilities of the Logan Board and each committee of the Logan Board, any governance policies and charters adopted by the Logan Board of Directors and financial and operational information regarding Logan.

### **Ethical Business Conduct**

The Logan Board adopted a Code of Business Conducts and Ethics and a Whistleblower Policy following completion of the Spin-Out.

### **Nomination of Directors**

As at the date hereof, the members of the Corporate Governance and Compensation Committee of the Board are Pat Ward (Chairperson), Geri Greenall and Donald Archibald. The Corporate Governance and Compensation Committee is responsible for identifying qualified new candidates to join the Logan Board and for making recommendations for nominees for election as directors. The Corporate Governance and Compensation Committee will be expected to objectively consider the independence of candidates, their financial acumen and other skills and the time which candidates have available to devote to the duties of the Logan Board in making their recommendations for nomination to the Logan Board. The Corporate Governance and Compensation Committee will review the composition and size of the Logan Board and tenure of directors in advance of annual meetings when directors are most commonly elected, as well as when individual directors indicate that their terms may end or that their status may change.

### **Compensation of Directors and CEO**

The Corporate Governance and Compensation Committee will also be responsible for annually determining the compensation to be received by Logan's directors and executive officers. Compensation is expected to be based on the underlying philosophy that such compensation should be competitive with other corporations of similar size and should be reflective of the experience, performance and contributions of the individuals involved and the overall performance of Logan. With respect to directors' compensation, the Corporate Governance and Compensation Committee will review the level and form of compensation received by the directors, members of each committee and the chair of each committee, considering the duties and responsibilities of each director, his or her past service and continuing duties in service to Logan. The compensation of directors and executive officers of competitors will be considered, to the extent publicly available, in determining compensation and the Corporate Governance and Compensation Committee will have the power to engage a compensation consultant or advisor to assist in determining appropriate compensation. For more details, please see "*Item 17: Executive Compensation*" in this Listing Application.

### **Other Board Committees**

In addition to Logan's Corporate Governance and Compensation Committee, Logan has an Audit Committee and a Reserves and Environment committee. Each of the committees of the Logan Board is

comprised of a majority of independent directors.

The members of the Reserves and Environment Committee of the Logan Board are Reginald Greenslade (Chairperson), Pat Ward and Fotis Kalantzis. The function of the Reserves and Environment Committee is to meet with Logan's independent reserves evaluation engineers, at least annually, to discuss the evaluation of Logan's reserves and to assist Logan in fulfilling its duties and obligations under NI 51-101.

### **Assessments**

The Logan Board has not, as yet, adopted any formal procedures for regularly assessing the effectiveness of the Logan Board, its committees or individual directors with respect to their effectiveness and contributions. Nevertheless, their effectiveness is subjectively measured on an ongoing basis by each director based on their assessment of the performance of the Logan Board, its committees or the individual directors compared to their expectation of performance. In doing so, the contributions of an individual director are informally monitored by the other Logan Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Logan Board.

### **ITEM 20: AGENT, SPONSOR OR ADVISOR**

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Logan has received an exemption from sponsorship pursuant to section 3.4 of Policy 2.2 of the TSXV Corporate Finance Manual in connection with its application to list the Logan Shares on the Exchange.

There are no constraints imposed on the ownership of securities of Logan to ensure a required level of Canadian ownership.

### **ITEM 21: RISK FACTORS**

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Logan is subject to both risks that directly affect Logan's business and operations, as well as indirect risks that impact third parties or the industry generally. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with Logan's business, the business of third parties with whom Logan conducts business and the crude oil and natural gas business in general. If any event arising from the risk factors set forth below occurs, Logan's business, prospects, financial condition, results of operation or cash flows and in some cases, its reputation, could be materially adversely affected. Additional risks and uncertainties not presently known to Logan or that Logan currently considers immaterial may also impair the business and operations of Logan and cause the price of the Logan Shares to decline.

Readers should carefully consider the risk factors set out below and consider all other information contained herein before making an investment decision. Readers are also encouraged to carefully consider the risk factors set out in the Spartan Circular under "*Risk Factors*" in conjunction with the risk factors set out in this Listing Application.

### **Risks Relating to the Spin-Out and the Distribution**

#### *Possible Failure to Realize Anticipated Benefits of the Spin-Out and the Distribution*

Logan has positioned itself in the oil and natural gas industry to create the opportunity to realize certain benefits. Achieving the benefits set out in Logan's business strategy depends in part on factors outside of Logan control, including, but not limited to, commodity prices, regulatory regimes and tax and royalty regimes. The consideration for the Logan Assets pursuant to the Conveyance Agreement is partially based on engineering and economic assessments made by independent petroleum engineers as well as actual historical financial and operating results. These assessments and historical results include a number of material assumptions and factors regarding matters such as recoverability and marketability of

oil, natural gas and NGLs, future prices of oil, natural gas and NGLs, and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the operators of the Logan Assets. In particular, changes in the prices of and markets for petroleum, natural gas, NGLs and sulphur from those anticipated at the time of making such assessments will affect the return on the value of the Logan Shares. In addition, all such assessments involve a measure of geological and engineering uncertainty which could result in lower production and reserves than that attributed to the Logan Assets.

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas, future operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of Logan. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated. Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat Logan title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of the Logan Assets and Logan securities.

## **Risks Relating to the Management of Logan**

### *Reliance on Key Personnel*

Logan's success will depend in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on Logan's business, financial condition, results of operations and prospects. Logan does not, and will not, have any key person insurance in effect for Logan. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Logan will be able to continue to attract and retain all personnel necessary for the development and operation of the business of Logan. Any inability on the part of Logan to attract and retain qualified personnel may delay or interrupt the exploration for, and development and production of, oil and natural gas with respect to the Logan Assets. Sustained delays or interruptions could have a material adverse effect on the financial condition and performance of Logan. In addition, rising personnel costs would adversely impact the costs associated with the exploration for, and development and production of, oil and natural gas in respect of the Logan Assets, which could be significant and material.

### *Potential Conflicts of Interest*

There may be circumstances in which the interests of Logan and its affiliates will conflict with those of shareholders. Logan and its affiliates may acquire oil and natural gas a properties on their own behalf or on behalf of persons other than the shareholders. Neither Logan, nor its management, will carry on their full-time activity on behalf of shareholders and, when acting on their own behalf or on behalf of others, may at times act in competition with the interests of shareholders. In the event of such conflicts, decisions will be made on a basis consistent with the provisions of any relevant contractual arrangements and objectives and financial resources of each group of interested parties. Logan will use all reasonable efforts to resolve such conflicts of interest in a manner which will treat Logan, and the other interested party, fairly taking into account all of the circumstances of Logan and such interested party and to act honestly and in good faith in resolving such matters.

Circumstances may arise where members of the Logan Board are directors or officers of corporations which are in competition to the interests of Logan. No assurances can be given that opportunities identified by such board members will be provided to Logan.

Certain directors of Logan are also directors of other oil and gas companies, including Spartan, and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with Logan to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See "*Item 16: Directors and Executive Officers – Conflicts of Interest*" in this Listing Application.

#### *Management of Growth*

Logan may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Logan to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Logan to deal with this growth may have a material adverse effect on Logan's business, financial condition, results of operations and prospects.

#### *Internal Controls*

Effective internal controls are necessary for Logan to provide reliable financial reports and to help prevent fraud. Although Logan will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, Logan cannot be certain that such measures will ensure that Logan will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Logan's results of operations or cause it to fail to meet its reporting obligations. If Logan or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Logan's financial statements and harm the trading price of the Logan Shares.

#### *Discretion in Use of Funds*

Logan currently intends to use the funds received from the Logan Financing as described under "*Available Funds and Principal Purposes*" in this Listing Application. While Logan currently intends to use the funds as described herein, there may be circumstances that are not known at this time where a reallocation of available funds may be advisable for business reasons that management believes are in Logan's best interests. As a result, there is no assurance Logan will use the available funds as stated. Management will have discretion in the actual application of available funds and the failure by management to apply these funds effectively could have a material adverse effect on the business of Logan.

### **Risks Relating to an Investment in the Logan Shares**

#### *No Prior Public Market for Logan Shares*

Prior to the listing of the Logan Shares on the TSXV, no public market will exist for the Logan Shares. Logan has applied to list the Logan Shares (including all Logan Shares issuable upon exercise of the Logan Transaction Warrants and the Logan Financing Warrants) on the TSXV. Listing of the Logan Shares will be subject to Logan meeting and fulfilling all listing requirements of the TSXV. There is no assurance that Logan will meet the listing requirements of the TSXV. There can be no assurance that the Logan Shares will be listed on the TSXV. An active and liquid market for the Logan Shares may not develop following the completion of the Distribution or, if developed, may not be maintained. If an active public market does not develop or is not maintained, purchasers may have difficulty selling their Logan Shares.

#### *Substantial Capital Requirements*

Logan anticipates making substantial capital expenditures for the acquisition, exploration, development and production of the Logan Assets and other oil and natural gas reserves in the future. As future capital expenditures will be financed out of cash generated from operations, borrowings and possible future equity sales, Logan's ability to do so is dependent on, among other factors:

- the overall state of the capital markets;
- Logan's credit rating;
- commodity prices;
- interest rates;
- royalty rates;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the energy industry and Logan's securities in particular.

Further, if Logan's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. The conditions in, or affecting, the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies, including Logan, to access additional financing and/or the cost thereof. In addition, uncertain levels of near term industry activity exposes Logan to additional access to capital risk. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Logan. Logan may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of Logan to access sufficient capital for its operations could have a material adverse effect on Logan's business financial condition, results of operations and prospects.

#### *Additional Funding Requirements*

Logan's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Logan may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Logan to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. Due to the conditions in the oil and natural gas industry and/or global economic and political volatility, Logan may, from time to time, have restricted access to capital and increased borrowing costs. The current conditions in the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies to access, or the cost of, additional financing.

If Logan's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Logan's ability to expend the necessary capital to replace its reserves or to maintain its production. If Logan's funds from operations are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available will be on terms acceptable to Logan. Continued uncertainty in domestic and international credit markets could materially affect Logan's ability to access sufficient capital for its capital expenditures and acquisitions, and as a result, may have a material adverse effect on Logan's ability to execute its business strategy and on its business, financial condition, results of operations and prospects.

#### *Variations in Foreign Exchange Rates and Interest Rates*

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate, which will fluctuate over time. Material increases in the value of the Canadian dollar negatively impact Logan's production revenues. Future Canadian/United States exchange rates could accordingly impact the future value of Logan's reserves as determined by independent evaluators. Although a low value of the Canadian dollar relative to the United States dollar may positively affect the price Logan receives for its oil and natural gas production, it could also result in an increase in the price for certain goods used for Logan's operations, which may have a negative impact on Logan's financial results.

To the extent that Logan engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which Logan may contract. In addition, an increase in interest rates could result in a significant increase in the amount Logan pays to service debt, which could negatively impact the market price of the Logan Shares.

#### *Future Sales or Issuances of Logan Shares and the Price of Logan Shares*

Future sales, or the ability for sale, of substantial amounts of the Logan Shares in the public market could adversely affect the prevailing market price for the Logan Shares. If Logan shareholders sell substantial amounts of their Logan Shares in the public market, the market price of the Logan Shares could decline these sales might also make it more difficult for Logan to sell equity or equity-related securities in the future at a time and price that Logan deems appropriate.

#### *Issuance of Debt*

From time-to-time Logan may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase Logan's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, Logan may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Logan's articles nor its by-laws limit the amount of indebtedness that Logan may incur. The level of Logan's indebtedness from time to time, could impair Logan's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

#### *Volatility of Market Price of Logan Shares*

The trading price of securities of crude oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. The volatility may affect the ability of holders to sell the Logan Shares at an advantageous price. Factors unrelated to Logan's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices and/or current perceptions of the crude oil and natural gas market. This includes, but is not limited to, changing and in some cases, negative investor sentiment towards energy-related businesses. In recent years, the volatility of crude oil and natural gas commodity prices, and the securities of issuers involved in the crude oil and natural gas business, has increased due, in part, to the implementation of computerized trading and the decrease of discretionary commodity trading. Similarly, recent market prices in the securities of crude oil and natural gas issuers relative to other industry sectors have led to lower crude oil and natural gas representation in certain key equity market indices. The volatility, trading volume and market price of crude oil and natural gas have been impacted by increasing investment levels in passive funds that track major indices and only purchase securities included in such indices and subsequently dispose of those securities if they are excluded from such indices. In addition, many institutional investors, pension funds and insurance companies, including government sponsored entities, have implemented investment strategies increasing their investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments. Similarly, the market price of the Logan Shares could be subject to significant fluctuations in response to variations in Logan's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Logan Shares will trade cannot be accurately predicted.

Similarly, the market price of the Logan Shares may be due to Logan's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by Logan or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Notice to Reader – Special Note Regarding Forward-Looking Statements*". In addition, in recent years the market price for securities in the stock markets, including the TSXV, experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that

often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Logan Shares.

#### *Dilution*

Logan may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Logan which may be dilutive.

#### *Dividends*

Logan does not currently intend to pay dividends on its outstanding shares. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of Logan, the need for funds to finance ongoing operations and other considerations, as the Logan Board of Directors considers relevant. See "*Item 7: Dividends and other Distributions*" in this Listing Application.

### **Risks Relating to Logan and the Logan Assets**

#### *Volatility in the Petroleum and Natural Gas Industry*

Market events and conditions, including global excess crude oil and natural gas supply, actions taken by OPEC+, sanctions against, and civil unrest in, Iran and Venezuela, slowing growth in China and emerging economies, market volatility and disruptions in Asia, weakening global relationships, conflict between the United States and Iran, isolationist and punitive trade policies, increased United States shale production, sovereign debt levels, world health emergencies (including the COVID-19 pandemic) and political upheavals in various countries including growing anti-fossil fuel sentiment, have caused significant volatility in commodity prices. Following extreme supply/demand imbalance in 2020, the crude oil and natural gas industry rebounded strongly throughout 2021, with oil prices reaching their highest levels in six years. However, the ongoing war in the Ukraine and price caps and sanctions on oil from Russia have impacted demand and oil prices throughout the latter half of 2022. It is anticipated that the oil and natural gas industry will experience more pressure from investors to take meaningful strides towards combating climate change in the upcoming years, including diversifying their energy portfolios. These events and conditions have caused a significant decrease in the valuation of crude oil and natural gas companies and a decrease in confidence in the petroleum and natural gas industry. These difficulties have been exacerbated in Canada by political and other actions resulting in uncertainty surrounding regulatory, tax, royalty changes and environmental regulation. In addition, difficulties encountered by midstream proponents to obtain the necessary approvals on a timely basis to build pipelines, liquefied natural gas plants and other facilities to provide better access to markets for the petroleum and natural gas industry in Western Canada and cross-border with the United States has led to additional downward price pressure on crude oil and natural gas produced in Western Canada. The resulting price differential between Western Canadian Select crude oil, Brent and West Texas Intermediate crude oil has created uncertainty and reduced confidence in the petroleum and natural gas industry in Western Canada.

Lower commodity prices may also affect the volume and value of Logan's reserves, especially as certain reserves become uneconomic. In addition, lower commodity prices could impact Logan's cash flow which could result in a reduced capital expenditure budget. As a result, Logan may not be able to replace its production with additional reserves and both Logan's production and reserves could be reduced on a year-over-year basis. See "*Item 21: Risk Factors - Reserve Estimates*". Given the current market conditions and the lack of confidence in the Canadian oil and natural gas industry, Logan may have difficulty borrowing or raising additional funds in the future or if it is able to do so, it may be on unfavourable and highly dilutive terms. Low commodity prices could impact Logan's cash flow to the extent it may not be sufficient to continue to fund operations and to satisfy obligations when due and will require additional equity or debt financing and/or proceeds from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory or at all. Similarly, there can be no assurance that Logan will be able to realize any or sufficient proceeds from asset sales to discharge its obligations. See "*Item 21: Risk Factors - Additional Funding Requirements*".

### *Commodity Prices, Markets and Marketing*

The marketability and price of oil and natural gas that may be acquired, discovered or produced by Logan is, and will continue to be, affected by numerous factors beyond its control. Logan's ability to market its crude oil and natural gas may depend upon its ability to acquire space on pipelines that deliver oil and natural gas to commercial markets or contract for the delivery of crude oil by rail (see *"Risk Factors – Volatility in the Petroleum and Natural Gas Industry"*). Logan may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines, railway lines processing and storage facilities; and operational problems affecting such pipelines, railway lines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of crude oil and natural gas and many other aspects of the crude oil and natural gas business.

The prices of crude oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, shale oil production in the United States, OPEC actions, political uncertainties, sanctions imposed on certain oil producing nations by other countries, conflicts in the Middle East and ongoing credit and liquidity concerns. Prices for crude oil and natural gas are also subject to the availability of foreign markets and the ability to access such markets. Any material decline in prices or a continued low crude oil and natural gas price environment could result in a reduction of Logan's anticipated net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes of Logan's reserves. Logan might also elect not to produce from certain wells at lower prices. See *"Risk Factors – Volatility in the Petroleum and Natural Gas Industry"*.

Volatile crude oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for crude oil and natural gas producing properties, as buyers, sellers, lessors and lessees have difficulty agreeing on the value or terms of such arrangements. Price volatility also makes it difficult to budget for and project the return on potential acquisitions, divestitures or leasing opportunities. See *"Item 21: Risk Factors – Volatility in the Petroleum and Natural Gas Industry"*.

All of these factors could negatively impact expected net production revenue and cause a reduction in Logan's future crude oil and natural gas acquisition, exploration, development and production activities. Any substantial and extended decline in or continued low crude oil and natural gas prices would have an adverse effect on Logan's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on Logan's business and financial condition.

### *Project Risks*

Logan manages a variety of small and large projects in the conduct of its business. Project interruptions may delay expected revenues from operations. Significant project cost overruns could make a project uneconomic. Logan's ability to execute projects and market oil and natural gas depends upon numerous factors beyond Logan's control, including the following: processing capacity availability; availability and proximity of pipeline capacity; availability of storage capacity; availability of, and the ability to acquire, water supplies needed for drilling and hydraulic fracturing; Logan's ability to dispose of water used or removed from strata at a reasonable cost and in accordance with applicable environmental regulations; effects of inclement weather; availability of drilling and related equipment; unexpected cost increases; accidental events; currency fluctuations; regulatory changes; political uncertainty; availability and productivity of skilled labour; environmental activism that potentially results in delays or cancellations of projects; litigation and regulation of the oil and natural gas industry by various levels of government and governmental agencies.

These factors could result in Logan being unable to execute projects on time, on budget, or at all and may be unable to effectively market its oil and natural gas products.

### *Reliance on Operators, Management and Key Personnel*

The operations and management of Logan require the recruitment and retention of a skilled workforce, including engineers, technical personnel and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, could result in the failure to implement Logan's business plans which could have a material adverse effect on Logan's business, financial condition, results of operations and prospects. Logan's success will be, in part, dependent on the performance of its key managers and consultants. Failure to retain the managers and consultants, or to attract or retain additional key personnel, with the necessary skills and experience could have a materially adverse impact upon Logan's growth and profitability. Logan does not carry key person insurance. The contributions of the existing management team to the immediate and near-term operations of Logan are likely to be of central importance. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Logan. In addition, Logan may not be the operator of certain oil and natural gas properties in which it acquires an interest. To the extent Logan is not the operator of its oil and natural gas properties, Logan will be dependent on such operators for the timing of activities related to such properties and will largely be unable to direct or control the activities of the operators.

### *Third-Party Credit Risk and Delays*

Logan is or may be exposed to third-party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production, suppliers and other parties. In the event such entities fail to meet their contractual obligations to Logan, such failures could have a material adverse effect on Logan and its adjusted funds flow. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Logan's ongoing capital program, potentially delaying the program and the result of such program until Logan finds a suitable alternative partner.

In addition to the usual delays in payments by purchasers of oil and natural gas to Logan or to the operators, and the delays by operators in remitting payment to Logan, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale of delivery of products, delays in the connection of wells to a gathering system, adjustment for prior periods or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of Logan in a given period and expose Logan to additional third-party credit risks. To the extent that any such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in Logan being unable to collect all or a portion of any money owing from such parties. Any of these factors could materially adversely affect Logan's business and financial condition.

### *Alternatives to, and Changing Demand for, Petroleum Products*

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for crude oil and natural gas products. Logan cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a negative effect on Logan's business, financial condition, results of operations and cash flows.

### *Exploration, Development and Production Risks*

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Logan 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 Logan may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Logan's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Logan will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Logan may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Logan.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision 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.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents and the shutting-in of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect production, which may reduce Logan's revenue.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including but not limited to hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills and other environmental hazards, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including geological and seismic risks, encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a negative effect on future results of operations, liquidity and financial condition, which could prove to be material over time.

As is standard industry practice, Logan will not be fully insured against all risks, nor are all risks insurable. Although Logan intends on maintaining liability insurance in an amount considered consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, Logan could incur significant costs. See "*Item 21: Risk Factors – Insurance*".

#### *Gathering and Processing Facilities, Pipeline Systems and Rail*

The products Logan produces must be delivered through gathering, processing and pipeline systems, some of which are not owned by Logan, and in certain circumstances, by rail. The amount of crude oil and natural gas produced and sold from Logan's assets is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems and railway lines. The lack of firm pipeline capacity, production limits, and limits on availability of capacity in gathering and processing facilities continues to affect the petroleum and natural gas industry and limits the ability to

transport produced crude oil and natural gas to market. In addition, the pro-rationing of capacity on inter-provincial pipeline systems continues to affect the ability of crude oil and natural gas companies to export oil and natural gas. Unexpected shutdowns or curtailment of capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect third parties' production and operations which may have a material adverse effect on Logan's business and financial condition.

As a result, producers have considered rail lines as an alternative means of transportation. Federal and various provincial governments have been active in recent years in their support for and opposition to major infrastructure projects in Canada, leading to increased awareness and challenges to interprovincial and international infrastructure projects. On August 28, 2019, with the passing of Bill C-69, the CERA and the IAA came into force and the NEB Act and the CEAA 2012 were repealed. In addition, the IA Agency replaced the CEA Agency. The impact of the new federal regulatory scheme on proponents and the timing for receipt of approvals of major projects is unclear.

A portion of Logan's production is processed through facilities owned by third parties over which Logan has no control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of third party facility operations could have a materially adverse effect on Logan's production and ability to deliver the same for sale, which, in turn, would indirectly reduce Logan's revenues. Midstream and pipeline companies may take actions to maximize their return on investment which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of particular shippers.

### *Regulatory*

Crude oil and natural gas operations (exploration, development, production, pricing, marketing, transportation and infrastructure) are subject to extensive controls and regulations imposed by various levels of government and may be amended from time to time. Governments may regulate or intervene with respect to exploration and production activities, prices, taxes, royalties and the exportation of crude oil and natural gas and infrastructure projects. Amendments to these controls and regulations, including changes to royalty regimes or the calculation of production and mineral taxes, may occur 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 Logan's costs, or make certain projects on Logan's assets uneconomic, which may have a material adverse effect on Logan's business, financial condition, results of operations and prospects.

Further, the ongoing third-party challenges to regulatory decisions or orders has reduced the efficiency of the regulatory regime as the implementation of the orders can be delayed resulting in uncertainty and interruption to business of the crude oil and natural gas industry. Recently, the federal government and certain provincial governments have taken steps to initiate protocols and regulations to limit the release of methane from oil and natural gas operations. Such draft regulations and protocols may require additional expenditures or otherwise negatively impact crude oil and natural gas operations and may affect Logan's business and financial condition.

Logan's operations require regulatory permits, licences, registrations, approvals and authorizations from various governmental authorities at the provincial and federal level. There can be no assurance that Logan will be able to obtain all necessary permits, licences, registrations, approvals and authorizations to carry out exploration and development at its projects. In addition, certain federal legislation such as the *Competition Act* (Canada) and the *Investment Canada Act* (Canada) could negatively affect Logan's business, financial condition and the market value of its Logan Shares or its assets, particularly when undertaking, or attempting to undertake, acquisition or disposition activity. It is not expected that any of these controls or regulations will affect the operations of Logan in a manner materially different from how they would affect other oil and natural gas companies of similar size.

### *Environmental Regulation*

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and municipal laws. Environmental legislation provides for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with oil and natural gas industry operations. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites.

Compliance with environmental legislation can require significant expenditures and a breach of such legislation may result in the imposition of fines or other penalties, some of which may be material, as well as the responsibility to remedy environmental problems caused by Logan's operations. Should Logan be unable to fully fund the cost of remedying an environmental problem, Logan might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liabilities and the potential for 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 Logan to incur costs to remedy such discharge. Although Logan 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 increase in the costs of production, development or exploration activities or otherwise adversely affect Logan's financial condition, results of operations or prospects.

Stakeholders, the public and provincial and federal governments are becoming increasingly concerned about habitat and species protection, including degradation to biodiversity caused by economic activity. Accordingly, governments at various levels are increasing the rigour of existing acts and regulations and issuing changes aimed at improving environmental protection.

#### *Liability Management*

Alberta and British Columbia have developed liability management programs designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder becomes defunct. Alberta and the AER continue to implement the Alberta LMF, completing the remaining amendments to the necessary directive and regulations to entirely phase out the AB LMR Program. The implementation of the New Alberta LMF Program, or other changes to the requirements of liability management programs may result in significant increases to the security that must be posted by such third parties, or may result in the denial of licence or permit transfers, which could impact the availability of capital to be spent by them which could in turn materially adversely affect Logan's business and financial condition. The impact and consequences of the Supreme Court of Canada's decision in Redwater on the AER's rules and policies, lending practices in the crude oil and natural gas industry and on the nature and determination of secured lenders to take enforcement proceedings are expected to evolve as the consequences of the decision are evaluated and considered by regulators, lenders and receivers/trustees. In addition, the AB LMR Program may prevent or interfere with Logan's ability to acquire or dispose of assets, as both the vendor and the purchaser of oil and natural gas assets must be in compliance with the liability management programs (both before and after the transfer of the assets) for the applicable regulatory agency to allow for the transfer of such assets.

#### *Royalty Regimes*

There can be no assurance that the provincial governments of the western provinces will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of Logan's projects. On January 29, 2016, the Government of Alberta adopted a new royalty regime which took effect on January 1, 2017. British Columbia introduced a new royalty framework in May 2022 that comes into effect on September 1, 2024, with a number of incentives ending for any wells spudded after September 1, 2022.

## *Climate Change*

Global climate issues continue to attract public and scientific attention. Numerous reports, including reports from the Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of GHG, including emissions of carbon dioxide and methane from the production and use of oil, liquids and natural gas. The majority of countries across the globe, including Canada and the United States, have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In addition, during the course of the 2021 United Nations Climate Change Conference in Glasgow, Scotland, Canada's Prime Minister Justin Trudeau made several pledges aimed at reducing Canada's GHG emissions and environmental impact.

### *Chronic Climate Change Risks*

Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place to prevent climate change or mitigate its effects. The direct or indirect costs of these regulations may have a material adverse effect on Logan's business, financial condition, results of operations and prospects. There is no guarantee the current provincial regimes in place will continue to meet federal stringency requirements and their continued application is subject to achieving the stringency standards as required by the federal government.

Climate change has been linked to long-term shifts in climate patterns, including sustained higher temperatures. As the level of activity in the Canadian petroleum and natural gas industry is influenced by seasonal weather patterns, long-term shifts in climate patterns pose the risk of exacerbating operational delays and other risks posed by seasonal weather patterns. See "*Item 21: Risk Factors – Seasonality and Extreme Weather Conditions*". In addition, long-term shifts in weather patterns such as water scarcity, increased frequency of storm and fire and prolonged heat waves may, among other things, require Logan to incur greater expenditures (time and capital) to deal with the challenges posed by such changes to its premises, operations, supply chains, transport needs and employee safety, which may in turn have a material adverse effect on Logan. Specifically, in the event of water shortages or sourcing issues, Logan may not be able to, or will incur greater costs to, carry out hydraulic fracturing.

Foreign and domestic governments continue to evaluate and implement policy, legislation and regulations focused on restricting emissions commonly referred to as GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. Given the evolving nature of climate change policy and the control of GHG and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing operating expenses on the Royalty Properties, and, in the long-term, potentially reducing the demand for crude oil and natural gas and related products, resulting in a decrease in Logan's profitability and a reduction in the value of its assets. See "*Item 21: Risk Factors – Non-Governmental Organizations and Eco-Terrorism Risks*" and "*Risk Factors – Reputational Risk*".

Concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels which influenced investors' willingness to invest in the petroleum and natural gas industry. Historically, political and legal opposition to the fossil fuel industry focused on public opinion and the regulatory process. More recently, however, there has been a movement to more directly hold governments and oil and natural gas companies responsible for climate change through climate litigation. In November 2018, ENVIRONMENT JEUNESSE, a Quebec advocacy group, applied to the Quebec Superior Court to certify all Quebecois under 35 as a class in a proposed class action lawsuit against the Government of Canada for climate related matters. The application was denied and ENVIRONMENT JEUNESSE appealed to the Appeal Court of Quebec on February 23, 2021. The appeal was dismissed on December 31, 2021. In January 2019, the City of Victoria became the first municipality in Canada to endorse a class action lawsuit against oil and natural gas producers for alleged climate-related harms. The Union of British Columbia Municipalities defeated

the City of Victoria's motion to initiate a class action lawsuit to recover costs it claims are related to climate change.

Given the perceived elevated long-term risks associated with regulatory changes or other market developments related to climate change, there have also been efforts in recent years affecting the investment community, including investment advisors, sovereign wealth funds, public pension funds, universities and other institutional investors, promoting direct engagement and dialogue with companies in their portfolios on climate change action (including exercising their voting rights on matters relating to climate change) and increased capital allocation to investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments of companies with high exposure to GHG intensive operations and products. Certain stakeholders have also pressured insurance providers and commercial and investment banks to reduce or stop financing, and providing insurance coverage to crude oil and natural gas and related infrastructure businesses and projects. The impact of such efforts may require Logan's management to dedicate significant time and resources to these climate change related concerns, may adversely affect Logan's operations, the demand for and price of Logan's securities and may negatively impact Logan's cost of capital and access to the capital markets, which negative impact could prove to be material over time.

Claims have been made against certain energy companies alleging that GHG emissions from crude oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. As a result, individuals, government authorities or other organizations may make claims against crude oil and natural gas companies, for alleged personal injury, property damage or other potential liabilities. While Logan is not a party to any such litigation or proceedings, it could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely affect the demand for and price of securities issued by Logan, impact its operations and have an adverse effect on its financial condition, which could prove to be material.

Given the evolving nature of climate change policy and the control of GHG and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing Logan's operating expenses and in the long-term, potentially reducing the demand for crude oil and natural gas production resulting in a decrease in Logan's profitability and a reduction in the value of its assets or requiring impairments for financial statement purposes. See "*Risk Factors – Non-Governmental Organizations and Eco-Terrorism Risks*", "*Risk Factors – Reputational Risk*" and "*Risk Factors – Changing Investor Sentiment*".

Public support for climate change action and receptivity to new technologies has grown in recent years. Governments in Canada and around the world have responded to these shifting societal attitudes by adopting ambitious emissions reduction targets and supporting legislation, including measures relating to carbon pricing, clean energy and fuel standards and alternative energy incentives and mandates. There has also been increased activism, including threats of culpability, legal action against oil and gas producers, and public opposition to fossil fuels and the oil and gas industry in which Logan operates. Given the evolving nature of the debate related to climate change and the control of GHGs and resulting requirements, it is not possible to predict the impact on its operations and financial condition.

Emissions, carbon and other regulations impacting climate and climate-related matters are constantly evolving. With respect to environmental, social, governance and climate reporting, the International Sustainability Standards Board has released IFRS Sustainability Disclosure Standards with the aim to develop sustainability disclosure standards that are globally consistent, comparable and reliable. In addition, the Canadian Securities Administrators published for comment Proposed National Instrument 51-107 - *Disclosure of Climate-Related Matters*, intended to introduce climate-related disclosure requirements for reporting issuers in Canada with limited exceptions. If Logan is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected.

### *Acute Climate Change Risks*

Climate change has been linked to extreme weather conditions. Extreme hot and cold weather, heavy snowfall, heavy rainfall and wildfires may restrict or could interfere with Logan's operations, increasing its costs and otherwise negatively impacting its operations. Over the last several years, certain areas of British Columbia and Alberta have been negatively impacted by wildfires, and most recently with extreme flooding in British Columbia, causing temporary interruption to both pipeline systems and railway lines. Extreme weather conditions may lead to disruptions in Logan's ability to transport produced oil and natural gas as well as goods and services in its supply chains. Logan's assets are located in locations that are proximate to forests and rivers and a wildfire or flood, respectively, may lead to significant downtime and/or damage to such assets which may affect production. At this time, Logan is unable to determine the extent to which climate change may lead to increased storm or weather hazards affecting Logan's operations.

### *Hydraulic Fracturing*

Hydraulic fracturing involves the injection of water, sand and small amounts of additives under high pressure into rock formations to stimulate the production of crude oil and natural gas. Specifically, hydraulic fracturing enables the production of commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase the costs of compliance and doing business as well as delay the development of crude oil and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of crude oil and natural gas that is ultimately produced from the reserves associated with Logan's assets and, therefore, could materially adversely affect Logan's business, financial condition, results of operations and prospects.

Seismic events are common in certain parts of Alberta, and are generally clustered around the municipalities of Cardston, Fox Creek, Red Deer and Rocky Mountain House. Due to notable seismic activity reported around Fox Creek and the Red Deer region, the AER introduced seismic monitoring and reporting requirements for hydraulic fracturing operators in the Duvernay Formation in the Fox Creek area in February 2015 and subsequently in the Red Deer region in December 2019. These requirements include, among others, an assessment of the potential for seismicity prior to conducting operations, the implementation of a response plan to address potential seismic events, and the suspension of operations if a seismic event above a particular threshold occurs. These requirements will remain in effect as long as the AER deems them necessary. Further, the AER continues to monitor seismic activity around the province and may extend these requirements to other areas of the province if necessary.

### *Risk of Pandemics, Epidemics or Outbreaks*

Logan may face challenges, including increased risk of disputes and litigation, as a result of the effects of pandemics, epidemics, or outbreaks (including the COVID-19 pandemic) on market and economic conditions and actions government authorities and financial lenders take in response to those conditions. Logan also face increased operational and reputational risks, including the potential for escalating counterparty risk. Operational risks which may affect Logan or its business partners include the need to provide enhanced safety measures for employees and customers; complying with rapidly changing regulatory guidance; addressing the risks of attempted fraudulent activity and cybersecurity threat behaviour; and protecting the integrity and functionality of Logan's systems, networks and data as a larger number of employees work remotely.

### *Borrowing*

From time to time, Logan may acquire assets or the shares of other corporations or otherwise finance its ongoing operations using debt, which may increase Logan's debt levels above industry standards. Further, a significant decrease in crude oil and natural gas prices, hedging losses or lower than expected

production from Logan's properties may cause Logan's debt-to-cash flow ratio to rise above its peer standards. The level of Logan's indebtedness or debt-to-cash flow ratio from time to time could impair Logan's ability to obtain additional financing in the future on a timely basis and could affect the market price of the Logan Shares.

#### *Inflation and Cost Management*

Logan's operating costs could escalate and become uncompetitive due to supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs, commodity prices and additional government intervention through stimulus spending or additional regulations. Logan's inability to manage costs may impact project returns and future development decisions, which could have a material adverse effect on Logan's financial performance and its funds from operations.

The cost or availability of oil and gas field equipment may adversely affect Logan's ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to Logan's operations for the expected price, on the expected timeline, or at all, may have an adverse effect on its financial performance and funds from operations.

#### *Changing Investor Sentiment*

A number of factors, including the effects of the use of fossil fuels on climate change, GHG emissions reduction, the impact of crude oil and gas operations on the environment and environmental damage relating to spills of petroleum products during production and transportation, have affected certain investors' sentiments towards investing in the crude oil and natural gas industry. As a result of these concerns, some institutional, retail and governmental investors have announced that they no longer are willing to fund or invest in crude oil and natural gas properties or companies tied to crude oil and natural gas or are reducing the amount of their investments of such entities over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can be costly and require a significant time commitment from the Logan Board, management and employees of Logan. Failing to implement the policies and practices as requested by institutional investors may result in such investors reducing their investment in Logan or not investing in Logan at all. Any reduction in the investor base interested or willing to invest in the crude oil and natural gas industry, and more specifically, Logan, may result in limiting Logan's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Logan Shares, even if Logan's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause a decrease in the value of Logan's assets which may result in an impairment charge.

#### *Evolving Corporate Governance, Sustainability and Reporting Framework*

Logan's business is subject to evolving corporate governance and public disclosure regulations that have increased both compliance costs and the risk of noncompliance, which could have an adverse effect on the price of Logan's securities. Logan is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSXV and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. Further, Logan's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

#### *Reputational Risk*

Logan's business, financial condition, operations or prospects may be negatively impacted as a result of any negative public opinion toward Logan or as a result of any negative sentiment toward or in respect of Logan's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which Logan operates as well as their opposition to certain crude oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and increased costs and/or cost overruns.

Any environmental damage, loss of life, injury or damage to property caused by Logan's operations could damage the reputation of Logan in active operational areas. Logan's reputation could be affected by actions and activities of other corporations operating in the crude oil and natural gas industry, over which Logan has no control. If Logan, either directly or indirectly, develops a reputation of having unsafe work sites it may impact the ability of Logan to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against fossil fuel companies may indirectly harm Logan's reputation. In addition, environmental damage, loss of life, injury or damage to property caused indirectly by Logan's operations could result in negative investor sentiment towards Logan, which may result in limiting Logan's access to capital, increasing the cost of capital and decreasing the price and liquidity of the Logan Shares.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard Company's reputation. Damage to Logan's reputation could result in negative investor sentiment towards Logan, which may result in limiting Logan's access to capital, increasing the cost of capital, and decreasing the price and liquidity of Logan's securities.

#### *Reserves Estimates*

There are numerous uncertainties inherent in estimating quantities of oil, NGLs and natural gas reserves and cash flows to be derived therefrom, including many factors beyond Logan's control. The information concerning reserves and associated cash flow set forth in this Listing Application represents 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; production rates; ultimate reserve recovery; timing and amount of capital expenditures; marketability of oil and natural gas; royalty rates; the assumed effects of regulation by governmental agencies; and future operating costs, all of which may vary from actual results.

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. Logan'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. Further, the evaluations are based, in part, on the assumed success of the exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluation.

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. Many of Logan's producing wells have a limited production history and thus there is less historical production on which to base the reserves estimates. In addition, a significant portion of Logan's

reserves may be attributable to a limited number of wells and, therefore, a variation in production results or reservoir characteristics in respect of such wells may have a significant impact upon Logan's reserves.

In accordance with applicable securities laws, McDaniel has used forecast price and cost estimates based on averages from three different independent evaluators' price forecasts in calculating reserves quantities. See "*Statement of Reserves Data and Other Oil and Gas Information – Pricing Assumptions*". Actual future net cash flows 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 cash flows derived therefrom will vary from the estimates contained in the Logan Report and such variations could be material. The Logan Report is based in part on the assumed success of activities Logan intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the Logan Report will be reduced to the extent that such activities do not achieve the level of success assumed in the Logan Report. The Logan Report is effective as of March 1, 2023, with a preparation date of March 14, 2023, and, except as may be specifically stated or required by applicable securities laws, has not been updated and, therefore, does not reflect changes in reserves since that date.

#### *Title to Assets*

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that a defect in the chain of title will not arise. The actual interest of Logan in properties may accordingly vary from Logan's records. If a title defect does exist, it is possible that Logan may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on Logan's business, financial condition, results of operations and prospects. There may be valid challenges to title or legislative changes, which affect Logan's title to the oil and natural gas properties Logan controls that could impair Logan's activities on them and result in a reduction of the revenue received by Logan.

#### *Failure to Realize Anticipated Benefits of Acquisitions and Dispositions*

Logan intends to make acquisitions and dispositions of businesses and assets in the ordinary course of business. Acquisitions of oil and natural gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquirer, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of Logan. All such assessments involve a measure of geologic, engineering, facility operations, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as Logan's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of Logan. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services.

#### *Hedging*

From time to time, Logan may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. Similarly, Logan may enter into agreements to fix the differential or discount pricing gap which exists, and may fluctuate between different

grades of crude oil, NGLs and natural gas and the various market prices received for such products. However, if commodity prices or differentials increase beyond the levels set in such agreements, Logan may be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk and Logan may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. In addition, if Logan enters into hedging arrangements it may be exposed to the risk of financial loss in certain circumstances, including instances in which: production falls short of the hedged volumes or prices fall significantly lower than projected; there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement; the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; and/or a sudden unexpected material event impacts crude oil and natural gas prices.

Similarly, from time to time Logan may enter into agreements to fix the exchange rate of Canadian to U.S. dollars or other currencies in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, Logan will not benefit from the fluctuating exchange rate.

### *Competition*

There is strong competition relating to all aspects of the oil and natural gas industry. Logan will actively compete for capital, skilled personnel, access to rigs and other equipment, access to processing facilities and pipeline and refining capacity and in all other aspects of its operations with a substantial number of other organizations. In addition, Logan will compete with other exploration and production companies, any of whom may have more financial resources, staff or political influence than Logan. Logan's ability to increase its production in the future will depend not only on its ability to develop Logan's properties, but also on its ability to select other suitable assets for further exploration and development.

In addition, Logan competes with numerous other entities in the search for, and the acquisition of, petroleum and natural gas properties and in the marketing of petroleum and natural gas. In particular, Logan competes with other companies for the acquisition of royalty interests in petroleum and natural gas properties. Other companies may have access to substantially greater financial resources, staff and facilities than those of Logan and who may have lower costs of, and better access to, capital. Logan's ability to increase its reserves in the future will depend partially on its and its partners' and royalty payors' ability to explore and develop its present properties but will primarily depend on its ability to acquire royalty interests in suitable producing properties or properties with future reserve or resource potential.

### *Political Uncertainty*

Logan's results can be adversely impacted by political, legal, or regulatory developments in Canada and elsewhere that affect local operations and local and international markets. Changes in government, government policy or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically and duration of regulatory reviews could impact Logan's existing operations and planned projects. This includes actions by regulators or other political factors to delay or deny necessary licences and permits for Logan's activities or restrict the operation of third-party infrastructure that Logan relies on. Additionally, changes in environmental regulations, assessment processes or other laws, while increasing and expanding stakeholder consultation, may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Logan's results.

Other government and political factors that could adversely affect Logan's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect Logan's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for Logan's products.

The federal government was re-elected in 2019, but in a minority position. Another federal election was held on September 20, 2021 and the federal government was re-elected again in a minority position. The ability of the minority federal government to pass legislation will be subject to whether it is able to come to agreement with, and garner the support of, the other elected parties, most of whom are opposed to the development of the petroleum and natural gas industry. The minority federal government will also be required to rely on the support of the other elected parties to remain in power, which provides less stability and may lead to an earlier subsequent federal election. A change in federal, provincial or municipal governments in Canada may have an impact on the directions taken by such governments on matters that may impact the petroleum and natural gas industry including the balance between economic development and environmental policy. Lack of political consensus, at both the federal and provincial government level, continues to create regulatory uncertainty, the effects of which become apparent on an ongoing basis, particularly with respect to carbon pricing regimes and transportation and export capacity, and may affect the business of participants in the petroleum and natural gas industry, which effect could prove to be material over time.

Following former Alberta Premier Jason Kenney's resignation on May 18, 2022, Danielle Smith was elected as Premier on October 11, 2022. Shortly after her appointment, Premier Smith introduced Bill 1: The Alberta Sovereignty Within a United Canada Act (the Sovereignty Act). The Sovereignty Act was passed on December 8, 2022, and received Royal Assent on December 15, 2022. The Sovereignty Act, amongst other things, enables the Alberta Government to choose which federal legislation, policies or programs it will enforce in Alberta, providing an overriding right to not enforce those which the Alberta Government deems to be "harmful" to Alberta's interests or infringe on the Federal Constitution and its division of powers. It is unclear what the effect the Sovereignty Act will have on Alberta, including the petroleum and natural gas industry, Alberta businesses and its federal and interprovincial relationships, including the application of certain federal legislation in Alberta, such as the GGPPA and the IAA and the way in which the Alberta Government may address any legislative and policy gaps created. Although the Sovereignty Act has not yet been challenged in court, it is possible the Sovereignty Act's constitutionality will be challenged.

### *Geopolitical Risks*

The marketability and price of oil and natural gas that may be acquired or discovered by Logan is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising outside of Canada, including changes in political regimes or parties in power, may have a significant impact on the price of crude oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of Logan's net production revenue.

The level of geo-political risk escalates at certain points in time. While the specific impact on the global economy would depend on the nature of the event, in general, any major event could result in instability and volatility. Current areas of concern include: global uncertainty and market repercussions due to the spread of COVID-19; Russia's military invasion of Ukraine; and rising civil unrest and activism globally.

### *Non-Governmental Organizations and Eco-Terrorism Risks*

The crude oil and natural gas industry may, at times, be subject to public opposition. The oil and natural gas industry has become increasingly politically polarizing in Canada, which has resulted in civil disobedience surrounding oil and natural gas development, particularly with respect to infrastructure projects. Such public opposition could expose Logan to the risk of higher costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups, landowners, environmental interest groups (including those opposed to oil and gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of the federal, provincial or municipal governments, and delays in, challenges to, or the revocation of regulatory approvals, permits and/or licences and direct legal challenges, including the possibility of climate-related litigation. There is no guarantee that Logan will be able to satisfy the concerns of the special interest groups and non-governmental organizations and

attempting to address such concerns may require significant and unanticipated capital and operating expenditures which may negatively impact Logan's business, financial condition, results of operations and prospects.

In addition, Logan's oil and natural gas properties, wells and facilities could be the subject of a terrorist attack which may have a material adverse effect on its business, financial condition, results of operations and prospects. Logan does not intend on securing insurance to protect against the risk of terrorism.

#### *Disposal of Fluids Used in Operations*

The safe disposal of the hydraulic fracturing fluids (including the additives) and water recovered from crude oil and natural gas wells is subject to ongoing regulatory review by federal and provincial governments, including its effect on fresh water supplies and the ability of such water to be recycled, amongst other things. While it is difficult to predict the impact of any regulations that may be enacted in response to such review, the implementation of stricter regulations may increase the costs of compliance for Logan which may impact the economics of certain projects and in turn impact activity levels and new capital spending on Logan's properties.

#### *Cost of New Technologies*

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to implement and benefit from technological advantages. There can be no assurance that Logan will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. If Logan implements such technologies, there is no assurance that Logan will do so successfully. One or more of the technologies utilized by Logan in the future may become obsolete. In such case, Logan's business, financial condition and results of operations could be materially adversely affected. If Logan is unable to utilize the most advanced commercially available technology, or it is unsuccessful in implementing certain technologies, Logan's business, financial condition and results of operations could be materially adversely affected.

#### *Availability and Cost of Equipment, Material and Qualified Personnel*

Oil and natural gas exploration, development and operating activities are dependent on the availability and cost of specialized materials and equipment, including drilling and related equipment and qualified personnel in the particular areas where such activities will be conducted. The oil and natural gas industry is cyclical in nature and is prone to shortages of supply of equipment and services, including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. Demand for such limited equipment and qualified personnel may affect the availability of such equipment and qualified personnel to Logan and may delay Logan's exploration and development activities. A decline in market conditions has led increasing numbers of skilled personnel to seek employment in other industries. In addition, the costs of qualified personnel and equipment in the areas where Logan's assets are located are very high due to the availability of, and demands for, such qualified personnel and equipment.

#### *Expiration of Licences and Leases*

Logan's properties may be held in the form of licences and leases and working interests in licences and leases. If Logan or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of Logan's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on Logan's business, financial condition, results of operations and prospects.

### *Income Taxes*

Logan believes that it is in full compliance with the provisions of the *Income Tax Act (Canada)* and all other applicable provincial tax legislation. Income tax laws relating to the oil and natural gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that affects Logan. Furthermore, tax authorities having jurisdiction over Logan may disagree with how Logan calculates its income for tax purposes or could change administrative practices to Logan's detriment.

### *Seasonality and Extreme Weather Conditions*

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. A mild winter or wet spring may make the ground unstable, limit access and, as a result, cause reduced operations or a cessation of operations.

Municipalities and provincial transportation departments enforce road bans that restrict the movement of drilling rigs and other heavy equipment during periods of wet weather, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. In addition, extreme cold weather, heavy snowfall and heavy rainfall may restrict access to Logan's properties and cause operational difficulties including damage to machinery or contribute to personnel injury because of dangerous working conditions. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and also to volatility in commodity prices as the demand for natural gas typically fluctuates during cold winter months and hot summer months.

### *Carbon Pricing Risk*

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. The federal system, which was upheld by the Supreme Court of Canada, currently applies in provinces and territories without their own system that meets federal stringency standards. Provinces with their own system are subject to continued compliance with the federal system. There is no guarantee that a province with a system that currently applies will meet, or continue to meet, federal stringency standards. The taxes placed on carbon emissions may have the effect of decreasing the demand for crude oil and natural gas products and at the same time, increasing the operating expenses of crude oil and natural gas companies, each of which may have a material adverse effect on Logan's revenue. Further, the imposition of carbon taxes puts Logan at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

### *Insurance*

Logan's involvement in the exploration for and development of oil and natural gas properties may result in Logan becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although Logan intends on obtaining insurance in accordance with industry standards to address such risks, such insurance may have limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Logan may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Logan. The occurrence of a significant event that Logan is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Logan's financial position, results of operations or prospects.

### *Litigation*

In the normal course of Logan's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, property damage, property taxes, land rights, environmental issues and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to Logan and as a result, could have a material adverse effect on Logan's assets, liabilities, business, financial condition and results of operations. Even if Logan prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from Logan's business operations, which could adversely affect its financial condition.

### *Breach of Confidentiality*

While discussing potential business relationships or other transactions with third parties, Logan may disclose confidential information relating to the business, operations or affairs of Logan. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information by Logan, a breach could put Logan at competitive risk and may cause significant damage to its business. The harm to Logan's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable solely in monetary damages. There is no assurance that, in the event of a breach of confidentiality, Logan will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

### *Information Technology Systems and Cyber-Security*

Logan will be subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of Logan's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to its business activities or competitive position. In addition, cyber-phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If Logan becomes a victim to a cyber-phishing attack it could result in a loss or theft of Logan's financial resources or critical data and information or could result in a loss of control of Logan's technological infrastructure or financial resources. Logan's employees are often the targets of such cyber-phishing attacks, as they are and will continue to be targeted by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to Logan's computers. These emails appear to be legitimate emails, but direct recipients to fake websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

Logan intends on adopting policies and procedures that address and implement employee protocols with respect to electronic communications and electronic devices and conducts annual cyber security risk assessments. Logan will also employ encryption protection of its confidential information, all computers and other electronic devices. Logan will apply technical and process controls in line with industry-accepted standards to protect its information assets and systems, including written incident response plan for responding to a cyber security incident. However, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on Logan's performance and earnings, as well as reputation. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on Logan's business, financial condition and results of operations.

## *Social Media*

Increasingly, social media is used as a vehicle to carry out cyber-phishing attacks. Information posted on social media sites, for business or personal purposes, may be used by attackers to gain entry into Logan's systems and obtain confidential information. Logan periodically reviews, supervises, retains and maintains the ability to retrieve social media content. Despite these efforts, as social media continues to grow in influence and access to social media platforms becomes increasingly prevalent, there are significant risks that Logan may not be able to properly regulate social media use and preserve adequate records of business activities and client communications conducted through the use of social media platforms.

## *Limited Ability of Residents in the U.S. to Enforce Civil Remedies*

Loan is a corporation formed under the laws of Alberta, Canada and has its principal place of business in Canada. All of Logan's directors and officers and the representatives of the experts who provide services to Logan (such as Logan's auditors and independent reserve engineers), and all of Logan's assets and all or a substantial portion of the assets of such persons are located outside the U.S. As a result, it may be difficult for investors in the U.S. to effect service of process within the U.S. upon such directors, officers and representatives of experts who are not residents of the U.S. or to enforce against them judgments of the U.S. courts based upon civil liability under the U.S. federal securities laws or the securities laws of any state within the U.S. There is doubt as to the enforceability in Canada against Logan or against any of Logan's directors, officers or representatives of experts who are not residents of the U.S., in original actions or in actions for enforcement of judgments of U.S. courts of liabilities based solely upon the U.S. federal securities laws or securities laws of any state within the U.S.

## *Forward-Looking Information May Prove Inaccurate*

Current and prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves 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 information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

## **ITEM 22: PROMOTERS**

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Logan does not have any promoters within applicable securities laws.

## **ITEM 23: LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

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There are no legal proceedings against Logan or involving the Logan Assets and Logan is not a party to any legal proceedings and Logan is not aware of any contemplated proceedings.

As at the date hereof, as applicable, there were: (i) no penalties or sanctions imposed against Logan or by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Logan that would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements Logan entered into before a court relating to a securities legislation or with a securities regulatory authority.

## **ITEM 24: INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

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Except for the acquisition of the Logan Assets by Logan from Spartan under the Conveyance Agreement, the participation in the Logan Financing by certain directors and officers of Logan, and as disclosed under "*Directors and Executive Officers – Conflicts of Interest*" in this Listing Application, management is not aware of any material interest, direct or indirect, of any director or officer of Logan, any person beneficially owning, directly or indirectly, more than 10% of Logan's voting securities, or any associate or affiliate of

such person in any transaction since incorporation of Logan or in any proposed transaction which in either case has materially affected or will materially affect Logan, other than as disclosed herein.

**ITEM 25: INVESTOR RELATIONS ARRANGEMENTS**

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Logan has not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for Logan.

**ITEM 26: AUDITORS, TRANSFER AGENTS AND REGISTRARS**

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PricewaterhouseCoopers LLP, Chartered Professional Accountants, with their offices at 3100, 111 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 5L3, are the auditors for Logan.

The transfer agent and registrar for the Logan Shares and the Logan Transaction Warrants is Odyssey Trust Company in Calgary, Alberta, Vancouver, British Columbia and Toronto, Ontario.

**ITEM 27: MATERIAL CONTRACTS**

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Other than as disclosed below, except for contracts entered into in the ordinary course of business, Logan has not entered into any material contracts since incorporation:

- (a) the Conveyance Agreement;
- (b) the Warrant Indenture; and
- (c) the Depositary Agreement.

A copy of all material agreements referred to in this Listing Application are available on Logan's SEDAR profile at [www.sedar.com](http://www.sedar.com).

*Conveyance Agreement*

Logan entered into the Conveyance Agreement with Spartan on June 20, 2023. The Conveyance Agreement provided for the transfer of the Logan Assets to Logan, such Logan Assets comprising of 4,000 boe/d of production in the Pouce Coupe and Simonette areas of north-west Alberta, 500 boe/d of legacy north-east British Columbia production and 55,769 net undeveloped acres in the Flatrock area of north-east British Columbia. The primary assets transferred to Logan consist of 193,000 net acres of high working interest 95% Montney Crown land across three properties (Simonette, Pouce Coupe and Flatrock). Logan has approximately 4,500 boe/d of long life, balanced oil and gas production and 15.5 mmboe of TPP reserves as evaluated by McDaniel pursuant to the Logan Report. Since completion of the Spin-Out, Logan carries on the exploration for, and development and production of, oil and natural gas in respect of the Logan Assets.

The purchase price consideration for the Logan Assets paid by Logan to Spartan was equal to the fair market value of the Logan Assets, being equal to \$60,620,469.35 in aggregate. The purchase consideration payable by Logan to Spartan was satisfied by the issuance by Logan to Spartan of the Logan Shares and the Logan Transaction Warrants, which securities Spartan will distribute to eligible Spartan Shareholders pursuant to the Distribution.

The Conveyance Agreement provided for the Spin-Out of the Logan Assets to Logan on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Logan by Spartan or any third party, and are of a standard nature, generally relating to the parties capacity to enter into and complete the transfer of the Logan Assets. For more details about the Conveyance Agreement, please refer to "*Item 5: Description of the Business*" in this Listing Application.

### *Warrant Indenture*

Logan entered into the Warrant Indenture with Odyssey, in its capacity as warrant indenture, on June 20, 2023. Pursuant to the terms of the Warrant Indenture, each Logan Transaction Warrant shall be exercisable for one (1) Logan Share at an exercise price of \$0.35 per Logan Share any time on or prior to 5:00 p.m. (Calgary time). The Logan Transaction Warrants issued pursuant to the Warrant Indenture are non-transferrable and are being issued to eligible Spartan Shareholders following receipt by Logan of completed and executed letter of transmittal and eligibility forms, as applicable.

### *Depositary Agreement*

Logan entered into the Depositary Agreement with Spartan and Odyssey, in its capacity as depositary, on June 20, 2023. Pursuant to the terms of the Depositary Agreement, the Logan Shares and the Logan Transaction Warrants issued to Spartan pursuant to the Conveyance Agreement shall be transferred to eligible Spartan Shareholders following receipt by Logan of completed and executed letter of transmittal and eligibility forms, as applicable.

## **ITEM 28: EXPERTS**

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Certain legal matters relating to the Logan Financing have been passed upon by Stikeman Elliot LLP on behalf of Spartan and Logan. The partners and associates of Stikeman Elliott LLP as a group own less than one percent of the outstanding Logan Shares and any other outstanding securities of any associate or affiliate of Logan. In addition, none of the partners or associates of Stikeman Elliot LLP are currently expected to be elected, appointed or employed as a director, officer or employee of Logan or any of its associates or affiliates.

McDaniel are Logan's independent engineers and have prepared the Logan Report. Neither McDaniel nor its officers, directors, employees or consultants beneficially own, directly or indirectly, any of the outstanding Logan Shares. In addition, none of the partners or associates of McDaniel are currently expected to be elected, appointed or employed as a director, officer or employee of Logan or any of its associates or affiliates.

This Listing Application incorporates a statement prepared by Seaton-Jordan & Associates Ltd. relating to the undeveloped land value attributed to the undeveloped acreage in the Flatrock area. Neither Seaton-Jordan & Associates Ltd. nor its officers, directors, employees or consultants beneficially own, directly or indirectly, any of the outstanding Logan Shares. In addition, none of the partners or associates of Seaton-Jordan & Associates Ltd. are currently expected to be elected, appointed or employed as a director, officer or employee of Logan or any of its associates or affiliates.

PricewaterhouseCoopers LLP has prepared independent auditors' reports dated April 14, 2023 in connection with the financial statements of Logan as at April 14, 2023 and the period then ended and the operating statements relating to the Logan Assets for the years ended December 31, 2022 and 2021 included in this Listing Application. PricewaterhouseCoopers LLP has advised that they are independent with respect to Logan within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

## **ITEM 29: OTHER MATERIAL FACTS**

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To the best of Logan's knowledge, there are no other material facts in respect of Logan which are not disclosed elsewhere in this Listing Application.

## **ITEM 30: ADDITIONAL INFORMATION – MINING OR OIL AND GAS APPLICANTS**

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Please see "*Item 5: Description of Business*" and "*Item 33: Significant Acquisitions*" for further information on the Logan Assets acquired pursuant to the Conveyance Agreement.

**ITEM 31: EXEMPTIONS**

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Logan has not received any discretionary exemptions from any securities regulatory or securities regulatory authority within the twelve-month period preceding the date of this Listing Application.

**ITEM 32: FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS**

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The following financial statements are included in this Listing Application as appendices:

1. Appendix "A" - Audited statement of financial position of Logan as at April 14, 2023 and the statements of cash flows and changes in equity of Logan for the period from incorporation on March 10, 2023 to April 14, 2023.
2. Appendix "B" – Audited operating statements relating to Logan Assets for the years ended December 31, 2022 and December 31, 2021.
3. Appendix "C" - Unaudited operating statements relating to Logan Assets for the three month periods ended March 31, 2023 and March 31, 2022.

Logan relied on the exemption in subsection 32.9(1) of Form 41-101F1 – *Information Required in a Prospectus* from the requirements set forth in Item 32.2 of Form 41-101F1. The Logan Assets may be viewed as a primary business of Logan pursuant to Section 32.1(b) of Form 41-101F1. In the absence of an exemption, the treatment of the Logan Assets as a primary business of Logan would require Spartan to include audited financial statements in respect of the Logan Assets. However, per subsection 32.9(1) of Form 41-101F1, operating statements for the business may be provided in lieu of financial statements where the following conditions are satisfied: (i) the acquisition is an acquisition of a business which is an interest in an oil and gas property; (ii) the acquisition is not an acquisition of securities of another issuer; (iii) the issuer is unable to provide the financial statements in respect of the acquisition because those financial statements do not exist or because the issuer does not have access to those financial statements; and (iv) the acquisition does not constitute a reverse takeover. The Logan Assets consist of interests in oil and gas properties in north-west Alberta and north-east British Columbia. Logan will acquire the Logan Assets from Spartan directly pursuant to the terms of the Conveyance Agreement: the acquisition of the Logan Assets does not involve the acquisition by Logan of the securities of another issuer. Spartan is unable to provide financial statements in respect of the Logan Assets because the financial statements for the Logan Assets do not exist and it is impracticable to prepare carve-out financial statements because the Logan Assets were integrated into other businesses of Spartan and did not represent a separate reporting or operating segment of Spartan. The acquisition by Logan of the Logan Assets will not constitute a reverse takeover using the predecessor value method of accounting.

**ITEM 33: SIGNIFICANT ACQUISITIONS**

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The Spin-Out was effected on June 20, 2023, when Logan acquired the Logan Assets from Spartan pursuant to the terms of the Conveyance Agreement. The purchase consideration payable by Logan to Spartan for the Logan Assets was equal to the fair market value thereof in the aggregate amount of \$60,620,469.35, which was satisfied by the issuance by Logan to Spartan of the Logan Shares and the Logan Transactions Warrants, which securities Spartan will distribute to eligible Spartan Shareholders pursuant to the Distribution commencing on or about July 6, 2023. The deemed issuance price of the Logan securities issued in connection with the Spin-Out, and pursuant to the terms of the Conveyance Agreement, is \$0.33 per Logan Share and \$0.02 per Logan Transaction Warrant. The exercise price of the Logan Transaction Warrants is \$0.35 per Logan Share.

The Conveyance Agreement provided for the Spin-Out of the Logan Assets to Logan on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Logan by Spartan or any third party, and are of a standard nature, generally relating to the parties capacity to enter into and complete the transfer of the Logan Assets.

The Logan Assets are exploration assets that Spartan believes to have a significant potential upside based on recent drilling in the area. The Logan Assets are focused in the prolific Montney gas resource trend of northwest Alberta and northeast British Columbia predominantly in the Pouce Coupe, Simonette and Flatrock areas, as well as legacy production in the BC Minors. The Logan Assets have the following key attributes:

	Production <sup>(1)</sup> (BOE/d)	Gross PDP Reserves (MBOE)	Gross P+P Reserves (MBOE)	P+P RLI (years) <sup>(1)</sup>
<b>Alberta</b>				
Pouce Coupe area	1,546	2,203	5,632	10
Simonette area	2,454	5,418	8,740	10
<b>British Columbia</b>				
BC Minors	500	929	1,106	6
<b>Total</b>	4,500	8,549	15,478	9

**Note:**

(1) Based on forecasted June 2023 production for the area.

The following table sets out the average daily gross production volumes for the Logan Assets on a quarterly basis for the years of 2022 and 2021:

Quarter	2022 (BOE/d)	2021 (BOE/d)
January - March	7,358	6,401
April - June	6,144	5,567
July - September	6,041	5,378
October - December	5,627	6,099

For more details, please see "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Logan Assets*" below. While management expects that Logan will receive the production benefits noted above, the Spin-Out and the Distribution expose Logan to additional risks including the risk that Logan will fail to realize the anticipated benefits from the Logan Assets. See "*Item 20: Risk Factors*" in this Listing Application for a further discussion of the risks associated with the Distribution.

### Description of Principal Properties

As of March 1, 2023, the effective date of the Logan Report, the core operating assets and land holdings attributable to the Logan Assets were primarily located in and around the Simonette and Pouce Coupe areas of northwest Alberta and the Flatrock area of British Columbia, targeting the Montney Formation. The technical disclosure contained in this Listing Application is derived from the full Logan Report which is available on Logan's SEDAR profile at [www.sedar.com](http://www.sedar.com).

The Pouce Coupe property has had seven wells drilled with modern completion designs which have delivered consistent and strong results. The Pouce Coupe asset spans the gas condensate to light oil window. The asset is ready for continued development drilling with a similar development strategy to what has been executed on the last seven wells. Pouce Coupe has a connection to an area midstream gas plant. To reach the assets full potential, Logan will work through infrastructure and egress constraints.

The Simonette property has 51 operated Montney wells primarily drilled in the gas condensate window; no drilling has occurred on the asset since 2017. While these wells effectively delineate many of the subsurface properties of the asset, Logan is of the view that the well designs and landing depth of the historic wells are suboptimal. Despite this suboptimal historical development, the well results would still generate positive returns today. Logan believes there is a substantial opportunity to improve upon these historic results and demonstrate highly economic well results upon implementation of Logans development plan across the gas condensate and oil windows of the Simonette property. Spartan owns a 50% working interest in its 120 mmcf/d gas plant and has extensive gathering and disposal infrastructure in the area that will facilitate much of the development and growth plans.

The Flatrock property is undeveloped Montney acreage prospective for both gas condensate and oil development. The subsurface properties in Flatrock map out very favorably relative to other successful Montney develops and upon successful delineation drilling, the opportunity in Flatrock is substantial.

### **Statement of Reserves Data and Other Oil and Gas Information Regarding the Logan Assets**

The statement of reserves data and other oil and gas information set forth below (the "**Logan Reserves Data**") is dated March 1, 2023. The effective date of the Reserves Data is March 1, 2023 and the preparation date of the Reserves Data is March 14, 2023.

#### *Disclosure of Reserves Data*

The Reserves Data set forth below is based upon an evaluation by McDaniel with an effective date of March 1, 2023, contained in the Logan Report. The Reserves Data summarizes the oil, NGLs and natural gas reserves associated with the Logan Assets and the net present values of future net revenue for such reserves using forecast prices and costs. The crude oil, NGLs and natural gas reserve estimates presented in the Logan Report are based on the guidelines contained in the COGE Handbook and the reserve definitions contained in both NI 51-101 and the COGE Handbook. A summary of those definitions are set forth in this Listing Application under "*Glossary of Terms*" and "*Advisory Regarding Oil and Gas Information*". McDaniel was engaged to provide evaluations of Proved Reserves and Proved plus Probable (P+P) Reserves and no attempt was made to evaluate possible reserves. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which Logan believes is important to the readers of this information.

The information regarding the Logan Assets set forth herein is in respect of all of the Logan Assets. All of the reserves associated with the Logan Assets are in Canada and, specifically, in the Provinces of Alberta and British Columbia.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There are numerous uncertainties inherent in estimating quantities of crude oil, NGLs and natural gas reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this Listing Application are estimates only. The recovery and reserve estimates of the crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and NGL reserves may be greater than or less than the estimates provided herein. In general, estimates of economically recoverable crude 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, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of crude oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, among others, estimates of the economically recoverable crude 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 associated with reserves may vary and such variations may be material. The actual production, revenues, taxes and development and operating expenditures with respect to the reserves associated with the Logan Assets may vary from the information presented herein and such variations could be material.

In certain of the tables set forth below, the columns may not add due to rounding.

**SUMMARY OF OIL AND GAS RESERVES**  
**as of March 1, 2023**  
**FORECAST PRICES AND COSTS**

Reserve Category	Light & Medium Oil		Heavy Oil		Tight Oil			
	Gross <sup>(1)</sup> (mdbl)	Net <sup>(2)</sup> (mdbl)	Gross <sup>(1)</sup> (mdbl)	Net <sup>(2)</sup> (mdbl)	Gross <sup>(1)</sup> (mdbl)	Net <sup>(2)</sup> (mdbl)		
<b>PROVED</b>								
Developed Producing	5	5	-	-	927	730		
Developed Non-Producing	-	-	-	-	-	-		
Proved Undeveloped	-	-	-	-	1,074	925		
<b>TOTAL PROVED</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>2,001</b>	<b>1,656</b>		
<b>PROBABLE</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>516</b>	<b>384</b>		
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>6</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>2,517</b>	<b>2,039</b>		

  

Reserve Category	Conventional Natural Gas		Shale Gas		Natural Gas Liquids <sup>(3)</sup>		Total	
	Gross <sup>(1)</sup> (mmcf)	Net <sup>(2)</sup> (mmcf)	Gross <sup>(1)</sup> (mmcf)	Net <sup>(2)</sup> (mmcf)	Gross <sup>(1)</sup> (mdbl)	Net <sup>(2)</sup> (mdbl)	Gross <sup>(1)</sup> (mboe)	Net <sup>(2)</sup> (mboe)
<b>PROVED</b>								
Developed Producing	13,609	12,073	25,965	22,914	1,021	725	8,549	7,292
Developed Non-Producing	948	864	426	400	42	31	271	242
Proved Undeveloped	-	-	15,018	13,464	273	225	3,850	3,395
<b>TOTAL PROVED</b>	<b>14,557</b>	<b>12,936</b>	<b>41,409</b>	<b>36,777</b>	<b>1,336</b>	<b>982</b>	<b>12,670</b>	<b>10,928</b>
<b>PROBABLE</b>	<b>2,511</b>	<b>2,177</b>	<b>9,507</b>	<b>8,056</b>	<b>288</b>	<b>213</b>	<b>2,808</b>	<b>2,304</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>17,069</b>	<b>15,114</b>	<b>50,916</b>	<b>44,833</b>	<b>1,624</b>	<b>1,195</b>	<b>15,478</b>	<b>13,231</b>

**Notes:**

- (2) Gross reserves are working interest reserves before royalty deductions.
- (3) Net reserves are working interest reserves after royalty deductions plus royalty interest reserves.
- (4) Natural Gas Liquids include Condensate volumes.

**SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE**  
**as at March 1, 2023**  
**FORECAST PRICES AND COSTS**

RESERVES CATEGORY	Before Income Tax Discounted at (%/year)					Unit Value Before Income Tax Discounted at 10%/year <sup>(1)</sup> (\$/BOE)
	0 (\$000's)	5 (\$000's)	10 (\$000's)	15 (\$000's)	20 (\$000's)	
<b>PROVED</b>						
Developed Producing	5,115	20,895	24,512	25,141	24,785	3.36
Developed Non-Producing	2,338	1,830	1,472	1,210	1,011	6.10
Undeveloped	22,696	10,931	3,988	(171)	(2,685)	1.17
<b>TOTAL PROVED</b>	<b>30,149</b>	<b>33,656</b>	<b>29,972</b>	<b>26,179</b>	<b>23,112</b>	<b>2.74</b>
<b>PROBABLE</b>	<b>47,946</b>	<b>33,591</b>	<b>24,966</b>	<b>19,361</b>	<b>15,499</b>	<b>10.84</b>
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>78,095</b>	<b>67,247</b>	<b>54,938</b>	<b>45,541</b>	<b>38,611</b>	<b>4.15</b>

**Note:**

- (1) The unit values are based on net reserve volumes.

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)**  
**as at March 1, 2023**  
**FORECAST PRICES AND COSTS**

RESERVES CATEGORY	REVENUE	ROYALTIES	OPERATING COSTS	DEVELOP- MENT COSTS	ABANDONMENT AND RECLAMATION COSTS	FUTURE NET REVENUE BEFORE INCOME TAXES
(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
Proved Reserves	537,497	78,093	289,093	94,974	45,189	30,149
Proved Plus Probable Reserves	670,194	103,320	348,531	94,974	45,275	78,095

**Note:**

(1) Includes all product revenues and other revenues as forecast.

**FUTURE NET REVENUE  
BY PRODUCTION GROUP**  
**as of March 1, 2023**  
**FORECAST PRICES AND COSTS**

RESERVES CATEGORY	PRODUCTION GROUP	FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (\$000's)	UNIT VALUE <sup>(1)</sup> (\$/BOE)
Proved Reserves	Light and Medium Oil (Unit Price \$/bbl)	(9,934)	nmf
	Tight Oil (Unit Price \$/bbl)	3,289	1.99
	Conventional Natural Gas (Unit Price \$/Mcf)	12,949	1.00
	Shale Gas (Unit Price \$/Mcf)	23,668	nmf
	<b>Total</b>	<b>29,972</b>	<b>2.74</b>
Proved Plus Probable Reserves	Light and Medium Oil (Unit Price \$/bbl)	(9,919)	nmf
	Tight Oil (Unit Price \$/bbl)	18,905	9.30
	Conventional Natural Gas (Unit Price \$/Mcf)	15,195	1.01
	Shale Gas (Unit Price \$/Mcf)	30,757	1.31
	<b>Total</b>	<b>54,938</b>	<b>4.15</b>

**Note:**

(1) The unit values are based on net reserve volumes. "nmf" mean no meaningful figure.

**Pricing Assumptions**

The following tables set forth the benchmark reference prices, as at March 1, 2023, reflected in the Reserves Data. These price assumptions were provided to Logan by McDaniel and were McDaniel's then current forecast at the date of the Logan Report.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS<sup>(1)</sup>**  
**as of March 1, 2023**  
**FORECAST PRICES AND COSTS**

<b>Year</b>	<b>Crude Oil WTI Cushing Oklahoma (US\$/bbl)</b>	<b>Edmonton Light Crude Oil (C\$/bbl)</b>	<b>Edmonton Ethane (C\$/bbl)</b>	<b>Edmonton Propane (C\$/bbl)</b>	<b>Edmonton Butane (C\$/bbl)</b>	<b>Edmonton Cond. &amp; Natural gasoline (C\$/bbl)</b>	<b>Alberta AECO Spot Price (C\$/MMbtu)</b>	<b>Capital / Operating Cost Inflation Rate (%/year)</b>	<b>Exchange Rate (US\$/C\$)<sup>(2)</sup></b>
2023	75.90	84.67	13.75	39.80	53.88	101.95	2.94	0.0	0.736
2024	71.41	82.69	14.33	39.14	52.67	93.05	3.41	2.3	0.741
2025	67.32	81.03	13.77	39.74	51.42	87.12	3.93	2.0	0.744
2026	63.89	81.39	13.98	39.86	51.61	82.16	4.19	2.0	0.747
2027	60.95	82.65	14.20	40.47	52.39	83.80	4.28	2.0	0.747
2028	62.17	84.29	14.49	41.28	53.44	85.48	4.36	2.0	0.747
2029	63.41	85.98	14.79	42.11	54.51	87.19	4.45	2.0	0.747
2030	64.68	87.71	15.09	42.95	55.60	88.93	4.54	2.0	0.747
2031	65.97	89.46	15.39	43.81	56.71	90.71	4.63	2.0	0.747
2032	67.29	91.25	15.71	44.47	57.56	92.53	4.72	2.0	0.747
2033	68.64	93.07	16.02	45.35	58.71	94.38	4.82	2.0	0.747
Thereafter				Escalation rate of 2%				2.0	0.747

**Notes:**

- (1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
- (2) The exchange rate used to generate the benchmark reference prices in this table.
- (3) As at March 1, 2023.

Weighted average historical prices, excluding hedging, realized from the Logan Assets for the year ended December 31, 2022 were \$120.64/bbl for crude oil, \$91.86/bbl for NGLs, and \$5.80/mcf for natural gas.

**Additional Information Relating to Reserves Data for the Logan Assets**

***Undeveloped Reserves***

Undeveloped reserves are attributed by McDaniel in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. Proved and probable undeveloped reserves have been assigned in accordance with engineering and geological practices as defined under NI 51-101. In general, undeveloped reserves are planned to be developed over the next two years.

In some cases, it will take longer than two years to develop these reserves. There are a number of factors that could result in delayed or cancelled development, including the following: (i) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (ii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iii) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion formation is no longer economic); (iv) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (v) surface access issues (including those relating to land owners, weather conditions and regulatory approvals). For more information, see "Item 21: Risk Factors" in this Listing Application.

McDaniel has assigned 5,132 MBOE of probable undeveloped reserves with no additional dollars allocated for future development capital over the proved schedule.

### **Significant Factors or Uncertainties**

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 contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become 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, commodity 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, 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.

In addition, higher than estimated operating costs would substantially reduce Logan's netback, which in turn would reduce the amount of cash available for reinvestment in drilling opportunities. This becomes most relevant during periods of low commodity prices when profits are more significantly impacted by high costs.

### **Future Development Costs**

The following table sets forth development costs deducted in the estimation of the future net revenue attributable to the reserve categories noted below.

Year	Future Development Costs	
	Proved Reserves (\$M)	Proved Plus Probable Reserves (\$M)
2023	5,754	5,754
2024	1,500	1,500
2025	25,601	25,601
2026	25,851	25,851
2027	24,930	24,930
Thereafter	11,338	11,338
Total: Undiscounted	94,974	94,974
Total: Discounted at 10% per year	69,017	69,017

Logan expects to fund the development costs of these reserves through a combination of internally generated cash flow and the issuance of new equity where and when it believes appropriate.

There can be no guarantee that funds will be available or that the Logan Board will allocate funding to develop all of the reserves attributable in the Logan Report. Failure to develop those reserves could have a negative impact on Logan future cash flow.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce the reserves and future net revenue to some degree depending upon the funding sources utilized. Logan does not anticipate that interest or other funding costs would make further development of any of the Logan Assets uneconomic.

## Other Oil and Gas Information

### Oil and Gas Properties

For a description of the Logan Assets, see "Item 33: Significant Acquisitions - Acquisition of the Logan Assets" in this Listing Application.

### Oil and Gas Wells

The following table sets forth the number and status of wells as at March 1, 2023, in which Logan will have a working interest upon the acquisition of the Logan Assets.

	Oil Wells <sup>(3)</sup>				Natural Gas Wells <sup>(4)</sup>			
	Producing		Non-Producing <sup>(5)</sup>		Producing		Non-Producing <sup>(5)</sup>	
	Gross <sup>(1)</sup>	Net <sup>(2)</sup>	Gross <sup>(1)</sup>	Net <sup>(2)</sup>	Gross <sup>(1)</sup>	Net <sup>(2)</sup>	Gross <sup>(1)</sup>	Net <sup>(2)</sup>
Alberta	22	17.4	6	4.2	61	55.1	73	54.0
British Columbia	-	-	-	-	52	22.3	38	26.1
Total	22	17.4	6	4.2	113	77.4	111	80.1

**Notes:**

- (1) "Gross" refers to all oil and gas wells in which Logan will have a working interest.
- (2) "Net" refers to the aggregate of the percentage working interests that Logan will have in the gross wells, before the deduction of any royalty interests.
- (3) Includes light and medium oil wells and tight oil wells.
- (4) Includes conventional natural gas wells and shale gas wells.
- (5) Non-producing wells include wells that have been shut in and/or suspended or are standing. Excludes abandoned, water source, water injection and disposal wells.

### Properties with no Attributed Reserves

The only property with no attributed reserves is in Flatrock, British Columbia which contains 56,165 gross (55,769 net) acres.

### Forward Contracts

Logan's operational results and financial condition will be dependent upon the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely in recent years. Such prices are primarily determined by economic and political factors. Supply and demand factors, as well as weather and conditions in other oil and natural gas regions of the world also impact prices. Any upward or downward movement in oil and natural gas prices could have an effect on Logan's financial condition.

Logan may implement a hedging policy using, amongst others, costless collars and fixed price swaps to hedge up to 75% of its gross oil, NGLs and natural gas production for a maximum period of three years. These hedging activities could expose Logan to losses or gains. To the extent that Logan engages in risk management activities related to commodity prices, it will be subject to credit risk associated with the parties with which it contracts. This credit risk will be mitigated by entering into contracts with only stable and creditworthy parties and through the frequent review of Logan's exposure to these entities. See "Item 21: Risk Factors" in this Listing Application.

### Additional Information Concerning Abandonment and Reclamation Costs

Logan estimates the costs to abandon and reclaim all its non-producing and producing wells, gas plants, pipelines, batteries and other facilities based on its previous experience, current regulations, costs, technology and industry standards area by area. No estimate of salvage value is netted against the estimated cost. Logan's model for estimating the amount of future abandonment and reclamation expenditures was done on an individual well and facility level. Estimated expenditures for each well and facility are based on internal estimates. Each well and facility are assigned an average cost for

abandonment and reclamation over a six (6) year period after each wells estimated reserve life. Timing of expenditures is based on budgets and estimates of such annual activities. Facility reclamation costs are generally scheduled to begin shortly before the end of the reserve life of Logan associated reserves and continue beyond the reserve life under the assumption that decommissioning of plant/facilities are generally mobile assets with a long useful life.

Logan estimates that it will incur reclamation and abandonment costs on the properties to be held by it upon abandonment. The approximate net cost to abandon and reclaim all wells and facilities for proven plus probable reserves, discounted at 10%, totals \$19 million (\$45 million undiscounted). Abandonment and reclamation costs undiscounted and expected to be paid over the next three years totals \$13 million.

### ***Tax Horizon***

As a newly incorporated entity, Logan has not been required to pay any income related taxes. Following the Distribution, Logan will have approximately \$60.6 million of tax pools available, primarily Canadian Oil and Gas Property Expense and Capital Cost Allowance deductions. It is expected, based upon current legislation, the projections contained in the Logan Report and various other assumptions, that cash income taxes are likely to be paid by Logan starting in 2023 or 2024 depending on the capital budget. A higher level of capital expenditures than those contained in the Logan Report, or further additional acquisitions, could further extend the estimated tax horizon.

### ***Exploration and Development Activities***

There were no new wells on the Logan Assets in which Spartan participated during the year ended December 31, 2022.

### ***Production Estimates***

The following table sets out the volume of working interest production estimated for the Logan Assets for the period of March 1, 2023 to December 31, 2023 reflected in the estimate of future net revenue disclosed in the tables contained under "*Statement of Reserves Data and Other Oil and Gas Information Regarding the Logan Assets – Disclosure of Reserves Data*" in this Listing Application.

<b>Reserves Category</b>	<b>Crude Oil (bbl/d)</b>	<b>Natural Gas Liquids (bbl/d)</b>	<b>Natural Gas (mcf/d)</b>	<b>Gross Barrel of Oil Equivalent (boe/d)</b>
<b>PROVED</b>				
Pouce Coupe	447	58	6,093	1,520
Simonette	168	419	13,806	2,886
BC Minors	-	79.4	2,613	515
<b>TOTAL PROVED <sup>(2)</sup></b>	<b>615</b>	<b>557</b>	<b>22,512</b>	<b>4,924</b>
<b>PROVED PLUS PROBABLE</b>				
Pouce Coupe	457	60	6,227	1,554
Simonette	171	424	13,957	2,922
BC Minors	-	80	2,635	519
<b>TOTAL PROVED PLUS PROBABLE</b>	<b>627</b>	<b>564</b>	<b>22,818</b>	<b>4,994</b>

**Notes:**

- (1) Natural Gas Liquids includes Condensate
- (2) Total may not add due to rounding

### ***Production History***

The following table discloses, on a quarterly basis for the year ended December 31, 2022, in respect of the Logan Assets, average daily production volumes (working interest before royalties), average selling prices, processing and other revenue, royalty expenses, transportation and operating expenses incurred

and Operating Netbacks, on a per unit of volume basis for each product time.

	31-Mar-22	Three Months Ended		31-Dec-22	Year Ended
		30-Jun-22	30-Sep-22		31-Dec-22
<b>Average Daily Production</b>					
Crude Oil <sup>(6)</sup> (bbl/d)	1,420	939	937	837	1,032
NGLs (bbl/d)	703	580	584	508	594
Natural Gas <sup>(7)</sup> (mcf/d)	31,411	27,756	27,117	25,691	27,976
<b>Total (boe/d)</b>	<b>7,358</b>	<b>6,144</b>	<b>6,041</b>	<b>5,627</b>	<b>6,288</b>
<b>Average Realized Prices<sup>(1)</sup></b>					
Crude Oil <sup>(6)</sup> (\$/bbl)	115.13	138.79	118.53	112.02	120.64
NGLs (\$/bbl)	87.97	105.71	89.50	84.25	91.86
Natural Gas <sup>(7)</sup> (\$/mcf)	5.07	7.52	5.06	5.61	5.80
<b>Total (\$/boe)</b>	<b>52.26</b>	<b>65.17</b>	<b>49.78</b>	<b>49.88</b>	<b>54.26</b>
<b>Processing and Other Revenue<sup>(2)</sup></b>					
Crude Oil <sup>(6)</sup> (\$/bbl)	1.27	1.45	1.43	1.69	1.45
NGLs (\$/bbl)	1.27	1.45	1.43	1.69	1.45
Natural Gas <sup>(7)</sup> (\$/mcf)	0.21	0.24	0.24	0.28	0.24
<b>Total (\$/boe)</b>	<b>1.27</b>	<b>1.45</b>	<b>1.43</b>	<b>1.69</b>	<b>1.45</b>
<b>Royalties<sup>(3)</sup></b>					
Crude Oil <sup>(6)</sup> (\$/bbl)	(9.77)	(17.29)	(18.87)	(24.17)	(16.51)
NGLs (\$/bbl)	(24.34)	(33.08)	(22.98)	(22.51)	(25.73)
Natural Gas <sup>(7)</sup> (\$/mcf)	(0.38)	(0.68)	(0.42)	(0.60)	(0.51)
<b>Total (\$/boe)</b>	<b>(5.84)</b>	<b>(8.82)</b>	<b>(7.02)</b>	<b>(8.36)</b>	<b>(7.42)</b>
<b>Transportation Expenses</b>					
Crude Oil <sup>(6)</sup> (\$/bbl)	(8.02)	(11.70)	(9.59)	(10.01)	(9.62)
NGLs (\$/bbl)	(3.98)	(6.23)	(4.01)	(3.55)	(4.44)
Natural Gas <sup>(7)</sup> (\$/mcf)	(0.26)	(0.31)	(0.32)	(0.30)	(0.29)
<b>Total (\$/boe)</b>	<b>(3.02)</b>	<b>(3.76)</b>	<b>(3.32)</b>	<b>(3.17)</b>	<b>(3.30)</b>
<b>Operating Expenses<sup>(4)</sup></b>					
Crude Oil <sup>(6)</sup> (\$/bbl)	(12.92)	(14.51)	(14.73)	(14.97)	(14.21)
NGLs (\$/bbl)	(12.92)	(14.51)	(14.73)	(14.97)	(14.21)
Natural Gas <sup>(7)</sup> (\$/mcf)	(2.15)	(2.42)	(2.46)	(2.50)	(2.37)
<b>Total (\$/boe)</b>	<b>(12.92)</b>	<b>(14.51)</b>	<b>(14.73)</b>	<b>(14.97)</b>	<b>(14.21)</b>
<b>Operating Netback<sup>(5)</sup></b>					
Crude Oil <sup>(6)</sup> (\$/bbl)	85.69	96.74	76.77	64.56	81.75
NGLs (\$/bbl)	48.00	53.34	49.21	44.91	48.93
Natural Gas <sup>(7)</sup> (\$/mcf)	2.49	4.35	2.10	2.50	2.87
<b>Total (\$/boe)</b>	<b>31.75</b>	<b>39.53</b>	<b>26.14</b>	<b>25.08</b>	<b>30.78</b>

**Notes:**

- (1) "Average Realized Prices" are a non-GAAP financial ratio calculated by dividing sales revenue into production volumes by product type.
- (2) Processing and other revenue primarily relates to fees earned for third party use of the Logan Assets infrastructure and is not directly attributable to individual products. The total is allocated pro-rata based on production volumes by product type for purposes of this table.
- (3) Royalties are presented net of Gas Cost Allowance ("GCA"). For purposes of this table, total GCA credits are allocated to NGLs and natural gas royalties pro-rata based on gross royalties before GCA.
- (4) Operating expenses are not directly attributable to individual products. Total operating expenses are allocated pro-rata based on production volumes by product type for purposes of this table.
- (5) "Operating Netback" is a non-GAAP financial measures which may not be directly comparable to other issuers. "Operating Income" is calculated as average selling prices, net of royalties, plus processing and other revenue, less operating and transportation expenses. See "Notice to Reader - Non-GAAP Measures and Ratios" for more information.
- (6) Crude Oil is inclusive of "Light Crude Oil and Medium Crude Oil", "Heavy Oil, and "Tight Oil" reserve classifications.
- (7) Natural Gas is inclusive of "Conventional Natural Gas" and "Shale Gas" reserve classifications.

The following table indicates the approximate average daily production from the Logan Assets for the year ended December 31, 2022:

Properties	Crude Oil (Bbls/d)	NGLs (Bbls/d)	Natural Gas (Mcf/d)	Total (BOE/d)
<b>Alberta</b>				
Pouce Coupe	802	85	9,458	2,463
Simonette	230	423	15,571	3,248
<b>British Columbia</b>				
BC Minors	-	86	2,947	577
<b>Total</b>	<b>1,032</b>	<b>594</b>	<b>27,976</b>	<b>6,288</b>

**ITEM 34: CERTIFICATES**

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**ITEM 34.1 CERTIFICATE OF APPLICANT**

July 12, 2023

Each of the undersigned hereby certifies that the foregoing constitutes full, true and plain disclosure of all information required to be disclosed under each item of this Application and of any material fact not otherwise required to be disclosed under an item of this Application.

*(signed) "Richard McHardy"*

**Richard McHardy**  
President and Chief Executive Officer

*(signed) "Ashley Hohm"*

**Ashley Hohm**  
Vice-President, Finance and  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

*(signed) "Fotis Kalantzis"*

**Fotis Kalantzis**  
Director

*(signed) "Geri Greenall"*

**Geri Greenall**  
Director

**34.2 CERTIFICATE OF SPONSOR**

Not applicable.

**34.3 ACKNOWLEDGEMENT – PERSONAL INFORMATION**

July 12, 2023

"Personal Information" means any information about an identifiable individual.

Logan hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this Listing Application for the purposes described in Appendix "A" to the Exchange's Form 2B.

**LOGAN ENERGY CORP.**

By: *(signed) "Richard McHardy"*

**Richard McHardy**  
President & Chief Executive Officer

**APPENDIX "A"**

**Audited Financial Statements of Logan**

Please see attached.

**Logan Energy Corp.**  
**Financial Statements**  
**For the period from incorporation on**  
**March 10, 2023 to April 14, 2023**



## Independent auditor's report

To the Shareholders of Logan Energy Corp.

---

### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Logan Energy Corp. (the Company) as at April 14, 2023 and March 10, 2023, and its financial performance and its cash flows for the period from March 10, 2023 to April 14, 2023 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

### What we have audited

The Company's financial statements comprise:

- the statement of financial position as at April 14, 2023 and March 10, 2023;
- the statement of net income and other comprehensive income for the period from March 10, 2023 to April 14, 2023;
- the statement of changes in shareholder's equity for the period from March 10, 2023 to April 14, 2023;
- the statement of cash flows for the period from March 10, 2023 to April 14, 2023; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

---

### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

---

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott D Althen.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Calgary, Alberta  
April 14, 2023

**Logan Energy Corp.**  
**Statement of Financial Position**  
**As at April 14, 2023**

(CA\$)	[Notes]	April 14, 2023	March 10, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		1	-
<b>Total current assets</b>		<b>1</b>	<b>-</b>
<b>Total assets</b>		<b>1</b>	<b>-</b>
<b>SHAREHOLDER'S EQUITY</b>			
Shareholder's capital	[4]	1	-
<b>Total shareholder's equity</b>		<b>1</b>	<b>-</b>
<b>Total liabilities and shareholder's equity</b>		<b>1</b>	<b>-</b>

**Subsequent events** [5]

*The accompanying notes form an integral part of these financial statements.*

Approved on behalf of the Board of Directors:

[signed] "Richard McHardy"

Richard McHardy, Director

# Logan Energy Corp.

## Statement of Net Income and Comprehensive Income

For the period from incorporation on March 10, 2023 to April 14, 2023

(CA\$)	
Revenues	-
Expenses	-
Net income before taxes	-
Income tax expense	-
<b>Net income and comprehensive income</b>	-

*The accompanying notes form an integral part of these financial statements.*

# Logan Energy Corp.

## Statement of Changes in Shareholder's Equity

For the period from incorporation on March 10, 2023 to April 14, 2023

(CA\$)	
Issuance of common share on incorporation	1
<b>Balance at April 14, 2023</b>	<b>1</b>

*The accompanying notes form an integral part of these financial statements.*

# Logan Energy Corp.

## Statement of Cash Flows

For the period from incorporation on March 10, 2023 to April 14, 2023

(CA\$)

<b>Financing activities</b>	
Issuance of common share on incorporation	1
<b>Cash provided by financing activities</b>	1
Balance at March 10, 2023	-
Increase in cash for the period	1
<b>Balance at April 14, 2023</b>	1

*The accompanying notes form an integral part of these financial statements.*

# Logan Energy Corp.

## Notes to the Financial Statements

As at April 14, 2023 and for the period from incorporation on March 10, 2023 to April 14, 2023

### 1. Business and structure

Logan Energy Corp. (the “Company” or “Logan”) was incorporated under the *Business Corporations Act* (Alberta) on March 10, 2023 as 2499938 Alberta Ltd. and subsequently changed its name to Logan Energy Corp. on March 22, 2023. The Company is currently a wholly-owned subsidiary of Spartan Delta Corp. (“Spartan”). Logan has not yet commenced active operations and intends to acquire petroleum and natural gas properties (note 5).

The head office of Logan is located at 1500, 308 – 4<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada T2P 0H7 and its registered office is located at 4300 Bankers Hall West, 888 - 3<sup>rd</sup> Street S.W., Calgary, Alberta, Canada T2P 5C5.

### 2. Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, as issued by the International Accounting Standards Board, and were authorized for issue by the Board of Directors on April 14, 2023.

The financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company’s functional currency.

### 3. Significant accounting policies

The accounting policies set out below have been applied to the period presented in these financial statements, and have been applied consistently by the Company.

#### *Cash*

Cash is comprised of cash on hand.

#### *Shareholders’ capital*

Costs directly attributable to the issue of common shares are recognized as a reduction of equity, net of deferred taxes.

### 4. Shareholder’s capital

#### *Authorized*

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares.

#### *Issued and outstanding*

The following table summarizes the change in common shares issued and outstanding:

	Number of Common Shares	Amount (CA\$)
Balance at March 10, 2023	-	-
Issuance of common share on incorporation	1	1
<b>Balance at April 14, 2023</b>	<b>1</b>	<b>1</b>

### 5. Subsequent events

On March 28, 2023, Spartan announced the proposed spin-out of certain assets (the “Logan Assets”) to Logan, pursuant to a conveyance agreement to be entered into by Spartan and Logan (the “Logan Conveyance Agreement”) (collectively, the “Spin-Out”). In consideration for the Logan Assets, shareholders of Spartan will receive one common share of Logan (“Logan Share”) and one common share purchase warrant of Logan (“Logan Transaction Warrant”) for each common share of Spartan held. Each Logan Transaction Warrant is non-transferrable and will entitle the holder

thereof to acquire one (1) Logan Share at an exercise price equal to \$0.35 per Logan Share at any time on or before the close of business on July 17, 2023. Spartan has applied to list the Logan Shares on the facilities of the TSX Venture Exchange ("TSXV").

The Logan Assets include all of Spartan's right, title, estate and interest in the petroleum, natural gas and related hydrocarbon rights and related property interests within, upon or under the lands and leases, including: producing oil and gas properties in the Pouce Coupe and Simonette areas of northwest Alberta; legacy producing properties in the Noel area of northeastern British Columbia; and undeveloped land in the Flatrock area of northeastern British Columbia.

The Spin-Out is expected to be completed on or around June 20, 2023.

#### *Logan Financing*

Following the completion of the Spin-Out, Logan intends to complete a non-brokered private placement of securities of Logan to raise up to \$43.5 million (the "Logan Financing"). Pursuant to the Logan Financing, Logan will offer up to a maximum of approximately 60.0 million Logan Shares and 64.3 million Logan Units (defined below) at a price of \$0.35 per Logan Share or Logan Unit, as applicable. Logan Units will be issued to subscribers that are members of the board and management team of Logan, together with certain additional subscribers identified by such persons. Logan Shares will be issued to all other subscribers.

Each Logan Unit issued pursuant to the Logan Financing will be comprised of one (1) Logan Share and one (1) Logan Financing Warrant. Each Logan Financing Warrant will entitle the holder to purchase one (1) Logan Share at a price of \$0.35 for a period of five years. The Logan Financing Warrants will vest and become exercisable as to one-third upon the 10-day weighted average trading price of the Logan Shares (the "Market Price") equaling or exceeding \$0.7000, an additional one-third upon the Market Price equaling or exceeding \$0.7875 and a final one-third upon the Market Price equaling or exceeding \$0.8750.

Completion of the Logan Financing is subject to certain approvals, including TSXV approval and disinterested approval of shareholders of Spartan.

**APPENDIX "B"**

**Audited Operating Statements in respect of Logan Assets**

Please see attached.

**Operating Statements Relating to the Logan Assets  
For the Years Ended December 31, 2022 and 2021**



## Independent auditor's report

To the Board of Directors of Logan Energy Corp.

---

### Our opinion

In our opinion, the accompanying financial information of Pouce Coupe, Simonette, and BC Properties (together, the Select Property) for the years ended December 31, 2022 and 2021 is prepared, in all material respects, in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an acquired oil and gas property.

### What we have audited

The Select Property's financial information comprises the operating statements containing gross revenue, royalty expenses, production costs and operating income for the years ended December 31, 2022 and 2021, and the notes to the financial information, which include significant accounting policies and other explanatory information.

---

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial information* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of Spartan Delta Corp. and Logan Energy Corp. in accordance with the ethical requirements that are relevant to our audit of the financial information in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Responsibilities of management and those charged with governance for the financial information

Management of Logan Energy Corp. is responsible for the preparation of the financial information of the Select Property in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards, for operating statements of an acquired oil and gas property, and for such internal control as management determines is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

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Those charged with governance are responsible for overseeing the management's financial reporting process.

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### **Auditor's responsibilities for the audit of the financial information**

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial information.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of management's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**/s/PricewaterhouseCoopers LLP**

Chartered Professional Accountants

Calgary, Alberta  
April 14, 2023

**Operating Statements Relating to the Logan Assets**  
**For the years ended December 31, 2022 and 2021**

<i>(CA\$ thousands)</i>	Years ended December 31	
	2022	2021
<b>Revenue</b>		
Oil and gas sales	124,534	74,401
Royalties	(17,026)	(8,145)
Oil and gas sales, net of royalties	107,508	66,256
Processing and other	3,326	3,552
	110,834	69,808
<b>Expenses</b>		
Operating	32,608	23,859
Transportation	7,583	5,944
Operating income	70,643	40,005

*The accompanying notes form an integral part of these operating statements.*

## **Notes to the Operating Statements Relating the Logan Assets For the years ended December 31, 2022 and 2021**

### **1. Background and basis of presentation**

These audited operating statements have been prepared for inclusion in the Management Information Circular of Spartan Delta Corp. (“Spartan”) dated April 14, 2023 relating to certain transactions contemplated between Spartan and Logan Energy Corp. (“Logan”). Pursuant to a conveyance agreement to be entered into by Spartan and Logan, Spartan will transfer certain assets (the “Logan Assets”) to Logan and the shareholders of Spartan will receive one common share of Logan and one common share purchase warrant of Logan for each common share of Spartan held. The Logan Assets include all of Spartan’s right, title, estate and interest in the petroleum, natural gas and related hydrocarbon rights and related property interests within, upon or under the lands and leases, including:

- producing oil and gas properties in the Pouce Coupe and Simonette areas of northwest Alberta as well as legacy producing properties in the Noel area of northeastern British Columbia; and
- undeveloped land in the Flatrock area of northeastern British Columbia.

The accompanying operating statements include only revenues, royalties, processing and other revenue, operating and transportation expenses applicable to the working interest in the Logan Assets only.

The line items in the operating statements have been prepared in all material respects using the accounting policies that are permitted by International Financial Reporting Standards (“IFRS”) as if those line items were presented as part of a complete set of financial statements. The operating statements are prepared in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

The operating statements for the Logan Assets do not include any provision for the depletion and depreciation, site restoration, future capital costs, impairment of unevaluated properties, general and administrative costs and income taxes for the Logan Assets as these amounts are derived from the consolidated operations of which the Logan Assets form only a part thereof.

### **2. Significant accounting policies**

The line items in the operating statements are prepared using the following accounting policies which are permitted under IFRS:

#### *Joint Operations*

A portion of the exploration, development and production activities is conducted jointly with others through unincorporated joint ventures. These operating statements reflect only the proportionate interest of these jointly controlled assets and the proportionate share of the relevant revenue and related costs.

#### *Revenues*

Revenue is generated primarily from the sale of crude oil, condensate, natural gas, and natural gas liquids.

Revenue from the sale of oil, natural gas and natural gas liquids is recognized based on the consideration specified in contracts with customers. Revenue is recognized when control of the product transfers to the customer and collection is reasonably assured. This is generally at the point in time when the customer obtains legal title to the product which is when it is physically transferred to the pipeline or other transportation method agreed upon.

Processing fees charged to other entities for use of owned pipelines and facilities are evaluated by management to determine if these originate from contracts with customers or from incidental or collaborative arrangements. Processing fees charged to other entities under contracts with customers are recognized in revenue when the related services are provided.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

**Notes to the Operating Statements Relating the Logan Assets  
For the years ended December 31, 2022 and 2021**

*Royalties*

Royalties, which are presented as a reduction in revenue, are recognized at the time of production. Royalties are calculated in accordance with the applicable regulations or the terms of individual royalty agreements.

*Operating expenses*

Operating expenses include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses include, but are not limited to, processing and compression fees, field labour, repairs and maintenance, utilities, insurance, and property taxes.

*Transportation expenses*

Transportation expenses relate to costs incurred for the transportation of crude oil, condensate, natural gas and natural gas liquids to the point of control transfer.

**APPENDIX "C"**

**Unaudited Operating Statements in respect of Logan Assets**

Please see attached.

**Unaudited Operating Statements Relating to the Logan Assets  
For the Three Months Ended March 31, 2023 and 2022**

**Operating Statements Relating to the Logan Assets**  
**Three months ended March 31, 2023 and 2022**  
**[unaudited]**

<i>(CA\$ thousands)</i>	Three months ended March 31	
	<b>2023</b>	2022
<b>Revenue</b>		
Oil and gas sales	<b>19,012</b>	34,607
Royalties	<b>(3,425)</b>	(3,860)
Oil and gas sales, net of royalties	<b>15,587</b>	30,747
Processing and other	<b>864</b>	844
	<b>16,451</b>	31,591
<b>Expenses</b>		
Operating	<b>8,454</b>	8,562
Transportation	<b>1,606</b>	2,003
Operating income	<b>6,391</b>	21,026

*The accompanying notes form an integral part of these operating statements.*

**Notes to the Operating Statements Relating the Logan Assets**  
**Three months ended March 31, 2023 and 2022**  
**[unaudited]**

**1. Background and basis of presentation**

These unaudited operating statements have been prepared for inclusion in the Listing Application of Logan Energy Corp. (“Logan”) dated July 12, 2023. Pursuant to a conveyance agreement entered into by Spartan Delta Corp. (“Spartan”) and Logan on June 20, 2023, Spartan transferred certain assets (the “Logan Assets”) to Logan and on July 6, 2023 the shareholders of Spartan received one common share of Logan and one common share purchase warrant of Logan for each common share of Spartan held. The Logan Assets include all of Spartan’s right, title, estate and interest in the petroleum, natural gas and related hydrocarbon rights and related property interests within, upon or under the lands and leases, including:

- producing oil and gas properties in the Pouce Coupe and Simonette areas of northwest Alberta as well as legacy producing properties in the Noel area of northeastern British Columbia; and
- undeveloped land in the Flatrock area of northeastern British Columbia.

The accompanying operating statements include only revenues, royalties, processing and other revenue, operating and transportation expenses applicable to the working interest in the Logan Assets only.

The line items in the operating statements have been prepared in all material respects using the accounting policies that are permitted by International Financial Reporting Standards (“IFRS”) as if those line items were presented as part of a complete set of financial statements. The operating statements are prepared in accordance with the financial reporting framework specified in subsection 3.17 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards*.

The operating statements for the Logan Assets do not include any provision for the depletion and depreciation, site restoration, future capital costs, impairment of unevaluated properties, general and administrative costs and income taxes for the Logan Assets as these amounts are derived from the consolidated operations of which the Logan Assets form only a part thereof.

**2. Significant accounting policies**

The line items in the operating statements are prepared using the following accounting policies which are permitted under IFRS:

*Joint Operations*

A portion of the exploration, development and production activities is conducted jointly with others through unincorporated joint ventures. These operating statements reflect only the proportionate interest of these jointly controlled assets and the proportionate share of the relevant revenue and related costs.

*Revenues*

Revenue is generated primarily from the sale of crude oil, condensate, natural gas, and natural gas liquids.

Revenue from the sale of oil, natural gas and natural gas liquids is recognized based on the consideration specified in contracts with customers. Revenue is recognized when control of the product transfers to the customer and collection is reasonably assured. This is generally at the point in time when the customer obtains legal title to the product which is when it is physically transferred to the pipeline or other transportation method agreed upon.

Logan evaluates its arrangements with third parties and partners to determine if the Company acts as a principal or as an agent. In making this evaluation, management considers if Logan obtains control of the product delivered, which is indicated by Logan having the primary responsibility for the delivery of the product, having the ability to establish prices or having inventory risk. If Logan acts in the capacity of an agent rather than as a principal in a transaction, then the revenue is recognized on a net basis, only reflecting the fee, if any, realized by the Company from the transaction.

Processing fees charged to other entities for use of owned pipelines and facilities are evaluated by management to determine if these originate from contracts with customers or from incidental or

**Notes to the Operating Statements Relating the Logan Assets**  
**Three months ended March 31, 2023 and 2022**  
**[unaudited]**

collaborative arrangements. Processing fees charged to other entities under contracts with customers are recognized in revenue when the related services are provided.

Royalty income is recognized as it accrues in accordance with the terms of the overriding royalty agreements.

*Royalties*

Royalties, which are presented as a reduction in revenue, are recognized at the time of production. Royalties are calculated in accordance with the applicable regulations or the terms of individual royalty agreements.

*Operating expenses*

Operating expenses include amounts incurred on extraction of the product to the surface, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses include, but are not limited to, processing and compression fees, field labour, repairs and maintenance, utilities, insurance, and property taxes.

*Transportation expenses*

Transportation expenses relate to costs incurred for the transportation of crude oil, condensate, natural gas and natural gas liquids to the point of control transfer.

**APPENDIX "D"**

**Board Mandate**

Please see attached.

# **LOGAN ENERGY CORP.**

## **BOARD OF DIRECTORS MANDATE**

Logan Energy Corp.  
Effective as of and from June 20, 2023

## I. GENERAL

1. The board of directors (the "**Board**") of Logan Energy Corp. (the "**Corporation**") is responsible for the stewardship of the Corporation's affairs and the activities of management of the Corporation in the conduct of day to day business, all for the benefit of its shareholders.
2. The primary responsibilities of the Board are:
  - (a) to maximize long term shareholder value;
  - (b) to approve the strategic plan of the Corporation;
  - (c) to ensure that processes, controls and systems are in place for the management of the business and affairs of the Corporation and to address applicable legal and regulatory compliance matters;
  - (d) to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Corporation;
  - (e) to ensure that the Corporation meets its obligations on an ongoing basis and operates in a safe and reliable manner; and
  - (f) to monitor the performance of the management of the Corporation to ensure that it meets its duties and responsibilities to the shareholders.

## II. COMPOSITION AND OPERATION

1. The number of directors shall be not less than the minimum and not more than the maximum number specified in the Corporation's articles and shall be set from time to time within such limits by resolutions of the shareholders or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. The Board will analyze the application of the "independent" standard, as such term is referred to in National Instrument 58-101 - *Disclosure of Corporate Governance Practices*, to individual members of the Board on an annual basis and disclose that analysis. The Board will in each year appoint a chair of the Board (the "**Chair**").
2. The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees of the Board and determining compensation for the directors. Subject to the articles and by-laws of the Corporation and the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

### III. MEETINGS

1. The Board shall have a minimum of four regularly scheduled meetings per year. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.
2. The Board will schedule, where possible and necessary, executive sessions where directors meet with or without management participation at each regularly-scheduled meeting of the Board.

### IV. RESPONSIBILITIES

#### *Oversight and Overall Responsibility*

1. In fulfilling its responsibility for the stewardship of the affairs of the Corporation, the Board shall be specifically responsible for:
  - (a) providing leadership and direction to the Corporation and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;
  - (b) satisfying itself as to the integrity of the Chief Executive Officer (the "CEO") and other senior officers of the Corporation and ensuring that a culture of integrity is maintained throughout the Corporation;
  - (c) approving the significant policies and procedures by which the Corporation is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Business Conduct and Ethics;
  - (d) reviewing and approving material transactions involving the Corporation, including the acquisitions and dispositions of material assets by the Corporation and material capital expenditures by the Corporation;
  - (e) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;
  - (f) establishing methods by which interested parties may communicate directly with the Chair or with the independent directors as a group and cause such methods to be disclosed;
  - (g) developing written position descriptions for the Chair and for the chair of each Board committee; and

- (h) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

### *Legal Requirements*

1. The Board has the oversight responsibility for meeting the Corporation's legal requirements and for properly preparing, approving and maintaining the Corporation's documents and records.
2. The Board has the statutory responsibility to:
  - (a) manage the business and affairs of the Corporation;
  - (b) act honestly and in good faith with a view to the best interests of the Corporation;
  - (c) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
  - (d) act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Corporation, and other relevant legislation and regulations.
3. The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
  - (a) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (b) the filling of a vacancy among the directors or in the office of auditor;
  - (c) the appointment of additional directors;
  - (d) the issuance of securities except in the manner and on the terms authorized by the Board;
  - (e) the declaration of dividends;
  - (f) the purchase, redemption or any other form of acquisition of shares issued by the Corporation, except in the manner and on the terms authorized by the Board;
  - (g) the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any shares of the Corporation;
  - (h) the approval of management proxy circulars;

- (i) the approval of any financial statements to be placed before the shareholders of the Corporation at an annual general meeting; and
- (j) the adoption, amendment or repeal of any by-laws of the Corporation.

### *Independence*

1. The Board shall have the responsibility to:
  - (a) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);
  - (b) implement a system which enables an individual director to engage an outside advisor at the expense of the Corporation in appropriate circumstances; and
  - (c) provide an orientation and education program for newly appointed members of the Board.

### *Strategy Determination*

1. The Board shall:
  - (a) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Corporation's business; and
  - (b) annually review operating and financial performance results relative to established strategy, budgets and objectives.

### *Managing Risk*

1. The Board has the responsibility to identify and understand the principal risks of the Corporation's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

### *Appointment, Training and Monitoring of Senior Management*

1. The Board shall:
  - (a) appoint the CEO and other senior officers of the Corporation, approve (upon recommendations from the Corporate Governance and Compensation Committee) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;

- (b) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (c) establish limits of authority delegated to management; and
- (d) develop a written position description for the CEO, the Chair, and the chairmen of the committees of the Board.

### ***Reporting and Communication***

1. The Board has the responsibility to:
  - (a) verify that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
  - (b) verify that the financial performance of the Corporation is reported to shareholders, other security holders and regulators on a timely and regular basis;
  - (c) verify that the financial results of the Corporation are reported fairly and in accordance with International Financial Reporting Standards from time to time;
  - (d) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
  - (e) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
  - (f) develop appropriate measures for receiving stakeholder feedback.

### ***Monitoring and Acting***

1. The Board has the responsibility to:
  - (a) review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements;
  - (b) verify that the Corporation operates at all time within applicable laws and regulations to the highest ethical and moral standards;
  - (c) approve and monitor compliance with significant policies and procedures by which the Corporation operates;
  - (d) monitor the Corporation's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;

- (e) take such action as it determines appropriate when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant; and
- (f) verify that the Corporation has implemented appropriate internal control and management information systems.

#### *Other Activities*

1. The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Corporation and any other governing laws as the Board deems necessary or appropriate including, but not limited to:
  - (a) preparing and distributing the schedule of Board meetings for each upcoming year;
  - (b) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Corporation; and
  - (c) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

#### *Code of Business Conduct and Ethics*

1. The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Corporation which shall address:
  - (a) conflicts of interest;
  - (b) the protection and proper use of the Corporation's assets and opportunities;
  - (c) the confidentiality of information;
  - (d) fair dealing with various stakeholders of the Corporation;
  - (e) compliance with laws, rules and regulations; and
  - (f) the reporting of any illegal or unethical behaviour.

#### **V. BOARD COMMITTEES**

1. The Board shall at all times maintain: (a) an Audit Committee; (b) a Reserves and Environment Committee; and (c) a Corporate Governance and Compensation Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority

permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

## **VI. DIRECTOR ACCESS TO MANAGEMENT**

1. The Corporation shall provide each director with complete access to the management of the Corporation, subject to reasonable advance notice to the Corporation and reasonable efforts to avoid disruption to the Corporation's management, business and operations. Prior to any director of the Corporation initiating a discussion with any employee of the Corporation, including management, such director shall have the obligation to provide notice to the Chair and the CEO that the director intends on initiating such a discussion.

## **VII. DIRECTOR COMPENSATION**

1. The Board, upon recommendation of the Corporate Governance and Compensation Committee, will determine and review the form and amount of compensation to directors.

**APPENDIX "E"**

**Audit Committee Charter**

Please see attached.

# **LOGAN ENERGY CORP.**

## **AUDIT COMMITTEE CHARTER**

Logan Energy Corp.  
Effective as of and from June 20, 2023

## I. GENERAL

1. The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Logan Energy Corp. (the "**Corporation**") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee, with respect to the Corporation and its subsidiaries, are as follows:
  - (a) to assist directors to meet their responsibilities in respect of the preparation and disclosure of the financial statements of the Corporation and related matters;
  - (b) to provide better communication between the Board and external auditors;
  - (c) to ensure the external auditors' independence;
  - (d) to review management's implementation and maintenance of an effective system of internal control over financial reporting and disclosure control over financial reporting;
  - (e) to increase the credibility and objectivity of financial reports;
  - (f) to manage and oversee the Corporation's Whistleblowing Policy, as it relates to accounting, internal controls and auditing processes; and
  - (g) to facilitate in-depth discussions between directors on the Committee, management and external auditors.
2. The primary responsibility for the financial reporting, information systems, risk management and internal and disclosure controls of the Corporation is vested in management and overseen by the Board. At each meeting, the Committee may meet separately with management and will meet in separate, closed sessions with the external auditors and then with the independent directors in attendance.

## II. COMPOSITION

1. The Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of whom shall be independent within the meaning of Sections 1.4 and 1.5 of *National Instrument 52-110 Audit Committees* ("**NI 52-110**") unless the Board determines to rely on an exemption in NI 52-110.
2. All of the members must be financially literate within the meaning section 1.6 of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues

that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. The Board shall appoint a chair of the Committee (the "**Chair**"), and such appointment shall be reviewed annually by the Board.
4. The secretary to the Board or another individual as selected by the Committee shall act as secretary of the Committee (the "**Secretary**").
5. A quorum shall be a majority of the members of the Committee.

### **III. MEETINGS**

1. The Committee shall meet (in person or by teleconference) at least four times per year and/or as deemed appropriate by the Chair.
2. The Committee shall meet (in person or by teleconference) with the auditors, independent of the presence of management, and receive from the external auditors reports of their review of the annual and any quarterly financial statements.
3. Effective agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.
4. The Chief Executive Officer and the Chief Financial Officer of the Corporation or their designates shall be available to attend at all meetings of the Committee upon the invitation of the Committee.
5. Other staff shall attend meetings upon invitation by the Committee should the Committee deem them necessary for the provision of information.

### **IV. REPORTING / AUTHORITY**

1. Following each meeting, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).
2. Supporting schedules and information reviewed by the Committee shall be available for examination by any director.
3. The Committee shall have the authority to investigate any financial activity of the Corporation and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.
4. The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Corporation.

5. The Committee shall annually review this mandate and make recommendations to the Corporate Governance and Compensation Committee as to proposal changes.

## **V. RESPONSIBILITIES**

### *Financial Reporting and Related Public Disclosure*

1. It is a primary responsibility of the Committee to review and recommend for approval to the Board the annual and quarterly financial statements of the Corporation. The Committee is also to review and recommend to the Board for approval the financial statements and related information included in prospectuses, management discussion and analysis, financial press releases, information circular-proxy statements and annual information forms, including financial outlooks and future-oriented financial information included therein. The process should include but not be limited to:
  - (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
  - (b) reviewing significant management judgments and estimates that may be material to financial reporting including alternative treatments and their impacts;
  - (c) reviewing the presentation and impact of any significant risks and uncertainties that may be material to financial reporting including alternative treatments and their impacts;
  - (d) reviewing accounting treatment of significant, unusual or non-recurring transactions;
  - (e) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
  - (f) reviewing unresolved differences between management and the external auditors;
  - (g) determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed; and
  - (h) reviewing all financial reporting relating to risk exposure including the identification, monitoring and mitigation of business risk and its disclosure.
2. The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information from the Corporation's financial statements and periodically assess the adequacy of those procedures.

### *Internal Controls Over Financial Reporting and Information Systems*

3. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Corporation's internal control over financial reporting and information systems. The process should include but not be limited to:

- (a) inquiring as to the adequacy and effectiveness of the Corporation's system of internal controls over financial reporting and review the evaluation of internal controls over financial reporting by external auditors;
- (b) establishing procedures for the confidential, anonymous submission by employees of the Corporation of concerns relating to accounting, internal control over financial reporting, auditing or Code of Business Conduct and Ethics matters and periodically review a summary of complaints and their related resolution; and
- (c) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters.

#### *External Auditors*

- 4. With respect to the appointment of external auditors by the Board, the Committee shall:
  - (a) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' 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;
  - (b) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;
  - (c) review and evaluate annually the external auditors' performance, and periodically (at least every five years) conduct a comprehensive review of the external auditors;
  - (d) recommend to the Board appointment of external auditors and the compensation of the external auditors;
  - (e) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
  - (f) review and approve any non-audit services to be provided by the external auditors' firm and consider the impact on the independence of the auditors; between scheduled meetings, the Chair of the Committee is authorized to approve all audit related services and non-audit services provided by the external auditors for individual engagements with estimated fees of \$25,000 and under; and shall report all such approvals to the Committee at its next scheduled meeting;
  - (g) inquire as to the independence of the external auditors and obtain, at least annually, a formal written statement delineating all relationships between the

external auditors and the Corporation as contemplated by Independence Standards Board Standard No. 1 – *Independence Discussions with Audit Committees*;

- (h) review the Annual Report of the Canadian Public Accountability Board ("CPAB") concerning audit quality in Canada and discuss implications for the Corporation;
  - (i) review any reports issued by CPAB regarding the audit of the Corporation; and
  - (j) discuss with the external auditors, without management being present, the quality of the Corporation's financial and accounting personnel, the completeness and accuracy of the Corporation's financial statements and elicit comments of senior management regarding the responsiveness of the external auditors to the Corporation's needs.
5. The Committee shall review with the external auditors (and the internal auditor if one is appointed by the Corporation) their assessment of the internal control over financial reporting of the Corporation, their written reports containing recommendations for improvement of internal control over financial reporting and other suggestions as appropriate, and management's response and follow-up to any identified weaknesses.
6. The Committee shall also review and approve annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.

### *Compliance*

7. It is the responsibility of the Committee to review management's process for the certification of annual and interim financial reports in accordance with required securities legislation.
8. It is the responsibility of the Committee to ascertain compliance with covenants under loan agreements.
9. The Committee shall review the Corporation's compliance with all legal and regulatory requirements as it pertains to financial reporting, taxation, internal control over financial reporting and any other area the Committee considers to be appropriate relative to its mandate or as may be requested by the Board.

### *Other Matters*

10. It is the responsibility of the Committee to review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and external auditors of the Corporation.
11. The Committee may also review any other matters that the Committee feels are important to its mandate or that the Board chooses to delegate to it.

12. The Committee shall undertake annually a review of this mandate and make recommendations to the Corporate Governance and Compliance Committee as to proposed changes.