

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws. Accordingly, except as permitted by the Underwriting Agreement (as defined herein) and pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws, these securities may not be offered, sold or delivered within the United States (as such term is defined in Regulation S under the 1933 Act). This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with certain securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from InPlay's Chief Financial Officer at Suite 920, 640 5th Avenue S.W., Calgary, Alberta T2P 3G4, Telephone (587) 955-9570 and are also available electronically at www.sedar.com.

New Issue

October 13, 2021

SHORT FORM PROSPECTUS



\$10,008,000

**8,340,000 Subscription Receipts each
representing the right to receive one Common Share**

Price \$1.20 per Subscription Receipt

InPlay Oil Corp. ("**InPlay**" or the "**Corporation**") is hereby qualifying for distribution 8,340,000 subscription receipts (the "**Subscription Receipts**") at a price of \$1.20 per Subscription Receipt (the "**Offering**"). Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or further action on the part of the holder thereof, one of InPlay's common shares (a "**Common Share**") upon the satisfaction of the Escrow Release Conditions and the delivery of the Notice prior to the Termination Time (each as defined herein).

The terms of the Offering, including the offering price of the Subscription Receipts offered hereunder, were determined by negotiations between InPlay and Eight Capital ("**Eight**"), as the sole bookrunner, ATB Capital Markets Inc. ("**ATB**" and, together with Eight, the "**Co-Lead Underwriters**"), on their own behalf and on behalf of Canaccord Genuity Corp., National Bank Financial Inc. ("**NBF**") and Acumen Capital Finance Partners Limited (collectively, the "**Underwriters**"). See "Plan of Distribution".

The gross proceeds from the sale of the Subscription Receipts (collectively, the "**Escrowed Funds**") will be held by Computershare Trust Company of Canada, as escrow agent (the "**Escrow Agent**"), and invested in short-term obligations of, issued or guaranteed by, the Government of Canada a province of Canada or a Canadian chartered bank (or other approved investments) pending satisfaction of the Escrow Release Conditions before the occurrence of a Termination Event (as defined herein). Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds and the interest earned thereon, less the remaining portions of the Underwriters' Fee, will be released to InPlay to complete the Acquisition (as defined herein). On satisfaction of the Escrow Release Conditions each holder of Subscription Receipts, as applicable, will receive one Common Share for each Subscription Receipt held, without payment of additional consideration or further action on the part of the holder. See "Details of the Offering".

If: (i) the Escrow Release Conditions are not satisfied on or before the Termination Time; (ii) InPlay has advised the Underwriters and the Escrow Agent or announced to the public that it does not intend to proceed with the Acquisition; or (iii) the Acquisition Agreement (as defined herein) has been terminated in accordance with its terms (each, a "**Termination Event**"), holders of Subscription Receipts shall be entitled to receive from the Escrow Agent an amount equal to the full subscription price attributable to the Subscription Receipts, and their *pro rata* entitlement to interest accrued on such aggregate amount from the Closing Date (as defined herein) to, but excluding, the date of the Termination Event. The Escrowed Funds will be applied toward payment of such amounts and we will be responsible for payment of any portion of such amount not covered by the Escrowed Funds and interest earned thereon. See "*Recent Developments - The Acquisition*" and "*Details of the Offering*".

The issued and outstanding Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "IPO". The TSX has conditionally approved the listing of the Subscription Receipts and the Common Shares underlying the Subscription Receipts on the TSX. Listing of such securities is subject to InPlay's fulfillment of all the requirements of the TSX on or before December 31, 2021. On September 28, 2021, the last trading day prior to the public announcement of the Offering and the Acquisition, the closing price of the Common Shares on the TSX was \$1.41. On October 12, 2021, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSX was \$1.73.

	<u>Price to the Public</u>	<u>Underwriters' Fee ⁽¹⁾</u>	<u>Net Proceeds ⁽²⁾⁽³⁾</u>
Per Subscription Receipt	\$1.20	\$0.072	\$1.128
Total	\$10,008,000	\$600,480	\$9,407,520

Notes:

- (1) The fee payable to the Underwriters is 6.0% of the gross proceeds of the Offering (the "**Underwriters' Fee**"). The Underwriters' Fee with respect to the Subscription Receipts is payable as to 50% upon the closing of the Offering and 50% upon the release to InPlay of the Escrowed Funds. If the Escrow Release Conditions are not satisfied and the Notice is not delivered to the Escrow Agent by the Termination Time, then the Underwriters' Fee will be limited to the 50% paid upon closing of the Offering. Numbers may not add due to rounding. See "*Details of the Offering*" and "*Plan of Distribution*".
- (2) Excluding interest accrued, if any, on the Escrowed Funds and before deducting expenses of the Offering estimated to be \$400,000 (exclusive of taxes), which will be paid from InPlay's general funds.
- (3) We have granted to the Underwriters an option (the "**Over-allotment Option**") to purchase up to an additional 1,251,000 Subscription Receipts at a price of \$1.20 per Subscription Receipt, exercisable from time to time, in whole or in part, until the earlier of: (i) 30 days following closing of the Offering; and (ii) the Termination Time, to cover over-allotments, if any, and for market stabilization purposes. In the event the Over-allotment Option is exercised following the satisfaction of the Escrow Release Conditions, we will issue the same number of Common Shares in lieu of Subscription Receipts. A purchaser who acquires Subscription Receipts or Common Shares, as applicable, forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-allotment Option or secondary market purchases. If the Over-allotment Option is exercised in full, the total gross proceeds of the Offering, the Underwriters' Fee and the net proceeds to InPlay (before deducting expenses of the Offering) will be \$11,509,200, \$690,552 and \$10,818,648, respectively. This short form prospectus also qualifies the distribution of the Over-allotment Option and of the Subscription Receipts or Common Shares, as applicable, issuable upon exercise of the Over-allotment Option. See "*Plan of Distribution*" and the table below.

The following sets forth the number of Subscription Receipts or Common Shares, as applicable that may be issued by InPlay pursuant to the Over-allotment Option:

<u>Underwriters' Position</u>	<u>Maximum number of securities available</u>	<u>Exercise period</u>	<u>Exercise price</u>
Over-allotment Option	1,251,000 Subscription Receipts or Common Shares, as applicable	Exercisable until the earlier of (i) 30 days following closing of the Offering; and (ii) the Termination Time	\$1.20 per Subscription Receipt or Common Share, as applicable

The Underwriters, as principals, conditionally offer the Subscription Receipts, subject to prior sale, if, as and when issued by InPlay and delivered and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to approval of certain legal matters relating to the Offering on InPlay's behalf by Burnet, Duckworth & Palmer LLP, and on behalf of the Underwriters by Torys LLP. The Subscription Receipts shall be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus.

InPlay's head office is located at Suite 920, 640 5th Avenue S.W., Calgary, Alberta T2P 3G4 and InPlay's registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

There is no market through which the Subscription Receipts may be sold and purchasers may not be able to resell Subscription Receipts purchased under this short form prospectus. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices and the liquidity of the Subscription Receipts and the extent of issuer regulation. See "*Risk Factors*."

Subscriptions for Subscription Receipts will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will occur on or about October 20, 2021 or such later date as we may agree to with the Underwriters (the "**Closing Date**"). Subscription Receipts will be registered and deposited directly with CDS (as defined herein) or its nominee on a non-certificated book-entry only basis and no certificates evidencing Subscription Receipts will be issued to purchasers thereof. Purchasers of Subscription Receipts will receive only a customer confirmation or statement from the Underwriter or other registered dealer who is a Participant (as defined herein) and from or through whom a beneficial interest in the Subscription Receipts is purchased. See "*Details of the Offering – Non Certificated Issue*".

ATB and NBF are, directly or indirectly, wholly-owned subsidiaries of Canadian chartered banks (or other financial institutions) that are InPlay's lenders. ATB is a wholly-owned subsidiary of ATB Financial. ATB Financial is an Alberta provincially regulated financial institution and is also a member of InPlay's lending syndicate. Further, the Co-Lead Underwriters acted as financial advisers to InPlay in connection with the Acquisition and will receive a fee upon the closing of the Acquisition. Accordingly, we may be considered a "connected issuer" of these Underwriters under applicable Canadian securities laws. See "*Relationship Between InPlay and Certain of the Underwriters*" and "*Use of Proceeds*".

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Subscription Receipts and/or Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Underwriters propose to offer the Subscription Receipts initially at the offering price specified above. After a reasonable effort has been made to sell all the Subscription Receipts at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Subscription Receipts remaining unsold. Any such reduction will not affect the proceeds we receive. See "*Plan of Distribution*".

An investment in the Subscription Receipts is subject to certain risks inherent in the Corporation's involvement in the exploration for, and the acquisition, development and production of, crude oil and natural gas reserves. The risk factors identified under the headings "*Risk Factors*" and "*Special Note Regarding Forward-Looking Statements*" in this short form prospectus, under the heading "*Risk Factors*" in the AIF (as defined herein), and under the heading "*Business Risks*" in the Interim MD&A (as defined herein) and the Annual MD&A (as defined herein), should be carefully reviewed and evaluated by prospective subscribers before purchasing the securities being offered hereunder.

The Subscription Receipts may be sold only in those jurisdictions where offers and sales are permitted. This short form prospectus is not an offer to sell or a solicitation of an offer to buy the Subscription Receipts in any jurisdiction where it is unlawful. Closing of the Offering is also subject to a number of conditions, including the approval of the TSX.

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SELECTED DEFINITIONS

In this short form prospectus, in addition to the terms defined above, the abbreviations and terms set forth below have the meanings indicated:

"**1933 Act**" means the *United States Securities Act of 1933*, as amended.

"**2021 Information Circular**" means InPlay's information circular – proxy statement dated April 30, 2021, relating to the annual and special meeting of its Shareholders held on June 1, 2021.

"**Acquisition**" means the proposed acquisition by InPlay of all the issued and outstanding shares of Prairie Storm pursuant to the Acquisition Agreement, see "*Recent Developments – The Acquisition*".

"**Acquisition Agreement**" means the acquisition agreement between InPlay and Prairie Storm dated September 28, 2021.

"**Acquisition Closing Date**" means the date the closing of the Acquisition occurs, which is currently expected to be on or about November 30, 2021, and in any event no later than December 31, 2021.

"**AIF**" means InPlay's annual information form for the year ended December 31, 2020 dated March 30, 2021.

"**Annual Financial Statements**" means InPlay's audited financial statements as at December 31, 2020 and December 31, 2019 together with the notes thereto and the report of the auditors thereon.

"**Annual MD&A**" means InPlay's management's discussion and analysis of the financial condition and results of operations as at and for the years ended December 31, 2020 and December 31, 2019.

"**BDC Term Facility**" has the meaning set forth in "*Consolidated Capitalization*".

"**Board of Directors**" or "**Board**" means InPlay's board of directors as it may be constituted from time to time.

"**Business Day**" means a day, other than a Saturday or Sunday, or a statutory holiday, on which major Canadian chartered banks are open for business in Calgary, Alberta.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook.

"**CRA**" means the Canada Revenue Agency.

"**Escrow Release Conditions**" means that all conditions, undertakings and other matters to be satisfied, completed and otherwise met (in accordance with the Acquisition Agreement and without waiver or material amendment of the terms and conditions thereof, in whole or in part, by any of the parties thereto unless the consent of the Co-Lead Underwriters is given for such waiver or amendment, such consent not to be unreasonably withheld or delayed) prior to the completion of the Acquisition have been satisfied, completed and otherwise met or waived but for the payment of the purchase price, which is to be satisfied in part by the release of the Escrowed Funds pursuant to the terms of the Subscription Receipt Agreement, and the Corporation shall have delivered to the Co-Lead Underwriters a certificate confirming the same.

"**FOFI**" means future-oriented financial information and financial outlook information.

"**GAAP**" means the generally accepted accounting principles as set by the Chartered Professional Accountants of Canada and as permitted by NI 52-107 for the preparation of financial statements.

"**IFRS**" means International Financial Reporting Standards.

"**Interim Financial Statements**" means InPlay's unaudited financial statements as at and for the three and six months ended June 30, 2021 and June 30, 2020 together with the notes thereto.

"**Interim MD&A**" means InPlay's management's discussion and analysis of the financial condition and results of operations as at and for the three and six months ended June 30, 2021 and June 30, 2020.

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

"**NI 52-107**" means National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*.

"**Non-Resident Holder**" means a holder of Subscription Receipts who, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada, is not an insurer who carries on an insurance business in Canada and elsewhere, and is not, and deals at arm's length with, a "specified shareholder" (as defined in subsection 18(5) of the Tax Act) of InPlay.

"**Participant**" means a participant in the depository service of CDS.

"**Prairie Storm**" means Prairie Storm Resources Corp.

"**Prairie Storm Assets**" means the petroleum and natural gas properties, interests and related assets of Prairie Storm, principally located in in the Willesden Green area in west central Alberta.

"**Prairie Storm Options**" means the outstanding options to purchase Prairie Storm Shares.

"**Prairie Storm Reserves Report**" means the independent engineering evaluation of Prairie Storm's crude oil, natural gas and natural gas liquids reserves prepared by Sproule with an effective date of December 31, 2020.

"**Prairie Storm Shares**" means the common shares of Prairie Storm.

"**PWC**" means PricewaterhouseCoopers LLP, Chartered Professional Accountants, Calgary, Alberta.

"**Resident Holder**" is a holder of Subscription Receipts who is resident in Canada for purposes of the Tax Act and any applicable income tax treaty.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Senior Credit Facility**" has the meaning set out in Note 4 to the table under "*Capitalization*" and, upon completion of the Senior Credit Facility Amendments, includes the Senior Term Facility.

"**Senior Credit Facility Amendments**" has the meaning set forth in "*Recent Developments – Senior Credit Facility*".

"**Senior Term Facility**" has the meaning set forth in "*Recent Developments – Senior Credit Facility*".

"**Shareholders**" mean the holders of Common Shares from time to time.

"**Sproule**" means Sproule Associates Limited, independent petroleum consultants of Calgary, Alberta.

"**Subscription Receipt Agreement**" means the agreement to be dated the Closing Date among InPlay, the Co-Lead Underwriters and the Escrow Agent governing the terms of the Subscription Receipts.

"**Subscription Receipt Beneficial Owner**" means a purchaser acquiring a beneficial interest in the Subscription Receipts.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder.

"**Termination Time**" means 5:00 p.m. (Calgary time) on December 31, 2021.

"**Underwriting Agreement**" means the agreement dated effective September 28, 2021 among InPlay and the Underwriters in respect of the Offering.

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

"**U.S. GAAP**" means the generally accepted accounting principles in the United States.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS SHORT FORM PROSPECTUS

You should rely only on the information contained or incorporated by reference in this short form prospectus. We have not, and the Underwriters have not, authorized anyone to provide you with different information.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this short form prospectus, and in certain documents incorporated by reference into this short form prospectus, constitute forward-looking statements. All forward-looking statements are based on the Corporation's beliefs and assumptions based on information available at the time such assumptions were made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. By their nature, such forward-looking 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. The Corporation 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, or incorporated by reference into, this short form prospectus should not be unduly relied upon.

The reports of PWC incorporated by reference in this short form prospectus refer exclusively to the historical financial statements described therein and do not extend to the prospective financial information included in this short form prospectus and should not be read to do so.

In particular, this short form prospectus and the documents incorporated by reference herein contain forward-looking statements pertaining to, but not limited to, the following:

- the Offering, including the use of proceeds from the Offering;
- completion of the Offering, the Acquisition, the Senior Credit Facility Amendments and the timing thereof;
- the anticipated benefits of the Acquisition, including the impact of the Acquisition on the Corporation's operations, reserves, inventory and opportunities, financial condition, access to capital and overall strategy;
- the listing of the Subscription Receipts issued pursuant to the Offering, including any Subscription Receipts issued pursuant to the exercise of the Over-Allotment Option;
- expectations with respect to production levels, Operating Netback per boe, Funds Flow, Adjusted Funds Flow, Free Adjusted Funds Flow, Free Adjusted Funds Flow Yield, capital expenditures and Net Debt/Earnings before Interest, Taxes and Depletion ("**EBITDA**") relating to Prairie Storm and InPlay following the Acquisition, as well as Adjusted Working Capital assumed by the Corporation on the Acquisition Closing Date;
- development and drilling plans for the Prairie Storm Assets, including the drill locations associated therewith and timing of results therefrom;
- capacity of infrastructure;
- anticipated operational results for 2021 and 2022 including, but not limited to, the information discussed under "*Recent Developments*" in this short form prospectus;
- the performance characteristics of the oil and natural gas properties of the Corporation and Prairie Storm;
- the estimated quantity of the Corporation's oil and natural gas reserves and anticipated future cash flows from such reserves;

- the estimated quantity of the oil and gas reserves associated with the Prairie Storm Assets and anticipated future cash flows from such reserves;
- the source of funding for the Corporation's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates;
- possible changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes; and
- InPlay's business and acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the material risk factors set forth below, elsewhere in this short form prospectus and in the documents incorporated by reference herein:

- inability to complete the Acquisition;
- the conditions to the completion of the Offering may not be satisfied;
- failure to realize the anticipated benefits of the Acquisition;
- unforeseen difficulties in integrating the business of Prairie Storm into the Corporation's operations;
- volatility in market prices for oil and natural gas;
- operational risks and liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- changes in royalty regimes;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition);
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- adverse effects on general economic conditions in Canada, the United States and globally, including due to the COVID-19 pandemic;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of InPlay's exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- ability to obtain regulatory approvals;
- the results of litigation or regulatory proceedings that may be brought against the Corporation;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- the other factors discussed under "*Risk Factors*" herein and in the AIF, Annual MD&A and Interim MD&A.

In addition, 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.

This short form prospectus contains FOFI about the Corporation's prospective results of operations, operating costs, expenditures, Operating Netback per boe, Funds Flow, Adjusted Funds Flow, Free Adjusted Funds Flow, Free Adjusted Funds Flow Yield, Net Debt/EBITDA and Adjusted Working Capital, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this

short form prospectus was made as of the date of this short form prospectus and was provided for the purpose of describing the anticipated effects of the Offering and the Acquisition on the Corporation's business operations. The Corporation disclaims any intention or obligation to update or revise any FOFI contained in this short form prospectus, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this short form prospectus should not be used for purposes other than for which it is disclosed herein. See "*Risk Factors*".

With respect to forward-looking statements contained in this short form prospectus, the Corporation has made assumptions regarding, among other things: the timing of obtaining regulatory and third party approvals and completion of the Offering, the Acquisition and the Senior Credit Facility Amendments; that commodity prices will be consistent with the current forecasts of its engineers; Operating Netback per boe; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; royalty regimes will not be subject to material modification; that the Corporation will be able to obtain skilled labour and other industry services at reasonable rates; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Corporation's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Corporation will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Corporation's expectations.

The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this short form prospectus in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. Forward-looking statements contained in certain documents incorporated by reference into this short form prospectus are based on the key assumptions and are subject to the risks described herein and in the documents incorporated by reference herein. The reader is cautioned that such assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this short form prospectus, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. These forward-looking statements contained in this short form prospectus are made as of the date of this short form prospectus, or in the case of the documents incorporated by reference herein, as of the dates of such documents, and except as required by applicable securities laws, neither InPlay nor any of the Underwriters undertake any obligation to publicly update or revise any forward-looking statements. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this short form prospectus.

CONVERSIONS

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

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
Bbls	cubic metres	0.159
cubic metres	Bbls	6.289
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	hectares	0.405
Hectares	Acres	2.471
Gigajoules	MMbtu	0.950
MMbtu	gigajoules	1.0526

ABBREVIATIONS

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
NGLs	natural gas liquids

Natural Gas

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

Other

AECO	the natural gas storage facility located at Suffield, Alberta, connected to TransCanada's Alberta System
Boe	barrel or barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil
Boe/d	barrels of oil equivalent per day
\$US	United States dollars
Mboe	thousand barrels of oil equivalent.
McFe	thousand cubic feet of gas equivalent
MMboe	million barrels of oil equivalent
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
\$000s	thousands of dollars
\$MM	millions of dollars

BARREL OF OIL EQUIVALENCY

The term "boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term boe may be misleading, particularly if used in isolation. **A boe conversion ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversation ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.**

NON-IFRS FINANCIAL MEASURES

References are made herein, and in certain of the documents incorporated by reference herein, to terms commonly used in the oil and natural gas industry. The Corporation uses "Adjusted Funds Flow", "Free Adjusted Funds Flow", "Free Adjusted Funds Flow Yield", "Net Debt/EBITDA", "Operating Income", "Operating Netback per boe" and "Adjusted Working Capital", which do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. These non-IFRS measures are described and defined in the Interim MD&A, as summarized below. See the Interim MD&A for additional information including rationale for use of such measure and reconciliations to the nearest GAAP measure, as applicable.

"**Adjusted Funds Flow**" is calculated as funds flow adjusting for decommissioning expenditures. This item is adjusted from funds flow as decommissioning expenditures are incurred on a discretionary and irregular basis and are primarily incurred on previous operating assets, making the exclusion of this item relevant in the evaluation of InPlay's operating performance. Refer below for a calculation of this measure and a reconciliation to the nearest GAAP measure.

		Pro-forma Guidance FY 2021 ⁽²⁾	Pro-forma Outlook FY 2022 ⁽¹⁾⁽²⁾
Forecasted Funds Flow	\$ millions	\$49.5 - \$52.5	\$105.0 - \$110.0
Decommissioning Expenditures	\$ millions	\$1.3 - \$1.5	\$1.5 - \$2.0
Forecasted Adjusted Funds Flow	\$ millions	\$51.0 - \$54.0	\$106.5 - \$111.5

Notes:

1. InPlay's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.
2. Subject to completion of the Acquisition.

"**Free Adjusted Funds Flow**" is calculated as adjusted funds flow less capital expenditures and is a measure of the cash flow remaining after capital expenditures that can be used for additional capital activity, repayment of debt or decommissioning expenditures. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure and a reconciliation to the nearest GAAP measure.

"**Free Adjusted Funds Flow Yield**" is calculated as free adjusted funds flow divided by the market capitalization of the Corporation. Free adjusted funds flow yield is a non-IFRS ratio. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure.

"**Net Debt/EBITDA**" is calculated as Net Debt divided by EBITDA. EBITDA is calculated as adjusted funds flow before interest expense.

"**Operating Income**" is calculated as oil and natural gas sales less royalties, operating expenses and transportation expenses and is a measure of the profitability of operations before administrative, share-based compensation, financing and other non-cash items. Refer below for a calculation of this measure and a reconciliation to the nearest GAAP measure.

		Prairie Storm Assets FY 2022
Revenue	\$ millions	\$44.5 - \$46.5
Royalties	\$ millions	\$4.0 - \$5.0
Operating Expenses	\$ millions	\$8.0 - \$10.0
Transportation	\$ millions	\$0.0 - \$0.2
Operating Income	\$ millions	\$31.0 - \$33.0

"**Operating Netback per boe**" is calculated as operating income divided by average production for the respective period.

"**Adjusted Working Capital**" is calculated as current assets less current liabilities excluding the impact of the fair value of commodity contracts and lease obligations.

DRILLING LOCATIONS

This short form prospectus discloses drilling inventory in two categories: (i) proved locations; and (ii) probable locations. Proved locations and probable locations are derived from Prairie Storm Reserves Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Of the 86.2 net drilling locations identified herein, 84.0 are proved locations and 2.2 are probable locations. The drilling locations considered for future development will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with certain securities commissions or similar authorities. Copies of the documents incorporated herein by reference may be obtained on request without charge from InPlay's Chief Financial Officer, at Suite 920, 640 5th Avenue S.W., Calgary, Alberta T2P 3G4, Telephone (587) 955.9570. In addition, copies of the documents incorporated herein by reference may be obtained from the securities commissions or similar authorities in the provinces of Canada through the SEDAR website at www.sedar.com.

The following documents, filed with the various securities commissions or similar authorities in the jurisdictions where we are a reporting issuer, are specifically incorporated by reference into and form an integral part of this short form prospectus:

1. the AIF;
2. the Annual Financial Statements;
3. the Annual MD&A;
4. the Interim Financial Statements;
5. the Interim MD&A;
6. the 2021 Information Circular;
7. the material change report dated October 1, 2021 relating to the Acquisition and the Offering; and
8. the "template version" (as such term is defined in National Instrument 41-101 – *General Prospectus Requirements*) of the term sheet for the Offering dated and filed September 28, 2021.

Any documents of the type referred to above and required by National Instrument 44-101 – *Short Form Prospectus Distributions*, including any material change reports (excluding confidential reports), comparative interim financial statements and comparative annual financial statements (together with the auditors' report thereon), management's discussion and analysis, business acquisition reports and information circulars filed by InPlay, as the case may be, with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this short form prospectus and prior to the termination of this distribution shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are used by the Underwriters in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this short form prospectus.

INPLAY OIL CORP.

InPlay has been engaged in the business of exploring for, developing and producing oil and natural gas, and acquiring oil and natural gas properties in western Canada since it commenced operations in June 2013. Since commencing

operations, InPlay has concentrated on exploration and development drilling of prospects in the province of Alberta. InPlay's operations are currently directed principally towards light oil prospects in its Pembina and Rocky Mountain House areas and its emerging East Basin Duvernay light oil play. See "*Corporate Structure*", "*Description and General Development of the Business*" and "*Statement of Reserves Data and Other Oil and Gas Information*" in the AIF incorporated by reference herein. Readers are encouraged to review this information as it contains important information about InPlay.

InPlay's head office is located at Suite 920, 640 5th Avenue S.W., Calgary, Alberta T2P 3G4 and InPlay's registered office is located at Suite 2400, 525 - 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

RECENT DEVELOPMENTS

The Acquisition

Overview

On September 28, 2021, InPlay and Prairie Storm entered into the Acquisition Agreement, pursuant to which InPlay agreed to acquire all of the issued and outstanding Prairie Storm Shares for aggregate consideration of \$50 million comprised of: (a) the payment of an aggregate of \$40 million in cash; and (b) the issuance of an aggregate of approximately 8.33 million Common Shares at a deemed issuance price of \$1.20 per Common Share. In addition, InPlay will assume Prairie Storm's existing Adjusted Working Capital estimated to be approximately \$9.5 million on the Acquisition Closing Date, after payment of Prairie Storm's estimated transaction costs resulting in net consideration ascribed to the Acquisition of \$40.5 million.

Prairie Storm is a light-oil, Cardium focused, junior oil and gas producer with operations principally in the Willesden Green and Ferrier areas of west-central Alberta. The Prairie Storm Shares are listed for trading on the TSX Venture Exchange under the symbol "PSEC.V". See "*Information Concerning Prairie Storm and the Prairie Storm Assets*".

Concurrent with the execution of the Acquisition Agreement, holders of approximately 68% of the issued and outstanding Prairie Storm Shares executed support agreements pursuant to which such holders agreed, among other things, to vote their Prairie Storm Shares in favour of the Acquisition.

Approximately 5.7 million of the Common Shares issuable pursuant to the Acquisition, representing approximately 68% of the aggregate number of Common Shares issuable to holders of Prairie Storm Shares, will be subject to escrow, with 50% of such escrowed shares being releasable three months following the Acquisition Closing Date and the remaining 50% being releasable six months following the Acquisition Closing Date.

Completion of the Acquisition is expected to occur on or about November 30, 2021, subject to satisfaction of certain conditions including the receipt of all necessary regulatory approvals, the approvals of the TSX and the TSX Venture Exchange, respectively, the approval of the Alberta Court of Queen's Bench, the requisite approval of the shareholders of Prairie Storm, completion of the Offering and the Senior Credit Facility Amendments and the satisfaction of certain other conditions that are customary for a transaction of this nature.

Benefits of the Acquisition

Average production from the Prairie Storm Assets is expected to be approximately 1,800 boe/d at the Acquisition Closing Date, consisting of approximately 505 bbl/d of light and medium crude oil (28%), 453 bbl/d of NGLs (25%) and 5,050 Mcf/d of conventional natural gas (47%). Significant growth opportunities have been identified on the 49,120 gross (37,995 net) acres of Cardium land associated with the Prairie Storm Assets.

The Acquisition is representative of the Corporation's continued Cardium consolidation and sustainability strategy, positioning InPlay as a sizable producer and acreage holder with significant drilling inventory in the light oil window of central Alberta's Cardium fairway. Willesden Green will be a focus area for continued development and growth. The production profile characteristics of the Prairie Storm Assets complement InPlay's current suite of assets in its core areas.

The Acquisition and Prairie Storm Assets have the following characteristics:

Total net consideration ⁽¹⁾	\$40.5 million
2022E annual average production ⁽²⁾⁽³⁾	2,755 boe/d
Cardium land ⁽⁴⁾	37,995 net acres
Net booked drilling locations ⁽⁵⁾	86.2
Reserve Volumes ⁽⁶⁾	
Proved Developed Producing reserves	4.9 MMboe
Total Proved reserves	21.3 MMboe
Total Proved Plus Probable reserves	26.8 MMboe
2022E Operating Netback per boe ⁽²⁾⁽³⁾	\$31.75/boe
2022E Operating Income ⁽³⁾	\$31.0 – 33.0MM
2022E Funds Flow ⁽³⁾	\$29.0 – 31.0MM
2022E Adjusted Funds Flow ⁽³⁾	\$29.5 – 31.5MM
2022E Capital Expenditures ⁽³⁾⁽⁷⁾⁽⁸⁾	\$10.0 - \$12.0MM (4.6 net wells)
2022E Free Adjusted Funds Flow ⁽³⁾	\$16.5 – 18.5MM
Acquisition Metrics	
2022E Operating Income Multiple ⁽³⁾	1.3x
2022E Flowing barrel ⁽³⁾	\$14,700/boe/d
Proved Developed Producing reserves ⁽⁶⁾	\$8.26/boe
Total Proved Reserves ⁽⁶⁾	\$1.90/boe
Total Proved Plus Probable reserves ⁽⁶⁾	\$1.51/boe

Notes:

- (1) The aggregate consideration ascribed to the Acquisition at the time the Acquisition Agreement was entered into is \$50 million, comprised of \$40 million of cash consideration and the issuance of 8,333,333 Common Shares at a deemed issuance price of \$1.20 per Common Share. For accounting and financial statement purposes under IFRS, the value of the share consideration payable under the Acquisition will be based upon the market price of the Common Shares immediately prior to the Acquisition Closing Date. Had the Acquisition Closing Date occurred on October 1, 2021, the value ascribed to the share consideration, based on an October 1, 2021 closing price of \$1.66 per Common Share, would have been approximately \$13.8 million. The Adjusted Working Capital of Prairie Storm being assumed by InPlay upon closing of the Acquisition is estimated to be \$9.5 million, after payment of Prairie Storm's estimated transaction costs resulting in net consideration ascribed to the Acquisition of \$40.5 million. All figures are based upon the assumed exercise of all outstanding Prairie Storm Options effective immediately prior to completion of the Acquisition. See "*Non-IFRS Financial Measures*" for additional details.
- (2) See "*Production Breakdown by Product Type*".
- (3) The estimated Operating Income, Operating Netback per boe, Funds Flow, Adjusted Funds Flow and Free Adjusted Funds Flow for the Prairie Storm Assets in 2022 is based on strip pricing as of September 27, 2021. The key underlying assumptions used in the development of these estimates are as follows: US \$69.75/bbl WTI; \$3.70/GJ AECO; \$33.40/boe NGL realized price; FX rate CA\$/US\$ 0.79; MSW Differential US \$5.60/bbl; royalties - \$4.25 - \$4.75/boe; operating expenses - \$8.25 - \$10.25/boe; interest - \$0.65 - \$1.15/boe; capital expenditures - \$10 - \$12 million. Operating costs per boe for the Prairie Storm Assets in 2022 are forecasted to decrease from Prairie Storm's historical actual results achieved as a result of fixed operating costs being allocated to the growing production base expected to result from InPlay's planned drilling program on the Prairie Storm Assets subsequent to closing of the Acquisition. See "*Non-IFRS Financial Measures*" and "*Special Note Regarding Forward-Looking Statements*".
- (4) Total land holdings to be acquired is 68,905 gross (49,811 net) acres, of which approximately 49,120 gross (37,995 net) acres represent lands in the Cardium formation.
- (5) See "*Drilling Locations*" for additional details regarding drilling locations.
- (6) Reserves are gross volumes as derived from the Prairie Storm Reserves Report. Proved developed producing reserves of 4.9 MMboe at December 31, 2020 consisting of 1.5 MMbbl of light and medium crude oil (31%), 1.2 MMbbl of NGLs (24%) and 13.3 MMcf of natural gas (45%). Total proved reserves of 21.3 MMboe at December 31, 2020 consisting of 8.3 MMbbl of light and medium crude oil (39%), 4.0 MMbbl of NGLs (19%) and 54.2 MMcf of natural gas (42%). Total proved plus probable reserves of 26.8 MMboe at December 31, 2020 consisting of 10.6 MMbbl of light and medium crude oil (39%), 5.0 MMbbl of NGLs (19%) and 67.7 MMcf of natural gas (42%). See "*Information Concerning Prairie Storm and the Prairie Storm Assets*" for additional details.
- (7) InPlay's plans for 2022 and associated targets and outlook, including the plans for the Prairie Storm Assets, remain preliminary in nature and do not reflect a Board approved capital expenditures budget.
- (8) The 2022E capital expenditures do not reflect Prairie Storm's 2022 capital expenditures or future development costs as listed in the Prairie Storm Reserves Report, but instead reflect an expected InPlay capital program following completion

of the Acquisition and, subsequently, InPlay's development plans for the Prairie Storm Assets.

The Acquisition will not constitute a "significant acquisition" for the Corporation for the purposes of Part 8 of NI-51-102.

Updated Pro-forma 2021 Corporate Guidance and Preliminary 2022 Outlook

The following table summarizes InPlay's pro forma operating and financial guidance for 2021 and preliminary outlook for 2022. The pro forma guidance for 2021 includes the Prairie Storm Assets for the one month period following the anticipated closing of the Acquisition on November 30, 2021. The capital expenditures in the table below include amounts to be spent on wells associated with the Prairie Storm Assets (approximately \$4.0 million on 1.6 net wells in 2021; approximately \$10.0 - \$12.0 on 4.0 - 5.0 net wells planned in 2022).

	2021	2022
	Post-Acquisition⁽¹⁾⁽²⁾	Post-Acquisition⁽²⁾
Annual Average production (boe/d) ⁽³⁾	5,750 – 6,000	8,900 – 9,400
% Oil and NGLs	67%	64%
Operating Netback (\$/boe) ⁽⁴⁾	\$34.00 - \$37.00	\$34.25 - \$37.25
Funds Flow (\$MM) ⁽⁹⁾	\$49.5 - \$52.5	\$105.0 - \$110.0
Adjusted Funds Flow (\$MM) ⁽⁴⁾⁽⁹⁾	\$51.0 - \$54.0	\$106.5 - \$111.5
Capital expenditures (\$MM) ⁽⁵⁾⁽⁶⁾	\$32.5 - \$34.5	\$51.0 - \$53.0
Net wells drilled	10.0	17.0 - 18.0
Free Adjusted Funds Flow (\$MM) ⁽⁴⁾	\$17.5 - \$20.5	\$55.0 - \$59.0
Free Adjusted Funds Flow Yield (\$MM) ⁽⁴⁾	17% - 20%	54% - 58%
Net Debt (\$MM) ⁽⁷⁾	\$76.5 - \$79.5	\$20.0 - \$25.0
Common Shares outstanding, end of year (MM) ⁽⁸⁾	85.0	85.0

Notes:

- (1) Assumes an Acquisition Closing Date of November 30, 2021.
- (2) See "*Underlying Assumptions*" below for additional details regarding material assumptions used in development of forward-looking information in this table.
- (3) See "*Production Breakdown by Product Type*".
- (4) See "*Non-IFRS Financial Measures*" for additional details.
- (5) Capital expenditures exclude acquisitions.
- (6) InPlay's plans for 2022 and associated targets and outlook remain preliminary in nature and do not reflect a Board approved capital expenditures budget.
- (7) Inclusive of the Adjusted Working Capital of Prairie Storm being assumed by InPlay upon closing of the Acquisition, estimated to be \$9.5 million after payment of Prairie Storm's estimated transaction costs.
- (8) Based on the issuance of 8,333,333 Common Shares to the shareholders of Prairie Storm and the issuance of 8,340,000 Common Shares upon conversion of the Subscription Receipts issuable pursuant to this Offering, not including any exercise of the Over-allotment Option.
- (9) An increase/(decrease) of US \$7.50 WTI pricing would impact 2022 targeted Adjusted Funds Flow by \$14.1 million/(\$13.8 million) respectively. An increase/(decrease) of \$0.50 AECO pricing would impact 2022 targeted Adjusted Funds Flow by \$4.0 million/(\$3.1 million) respectively.

Underlying Assumptions

The material budget and underlying assumptions used by the Corporation in the development of the pro forma 2021 guidance and pro forma 2022 preliminary outlook above are as follows:

		Pro-forma Guidance FY 2021 ⁽²⁾	Pro-forma Outlook FY 2022 ⁽¹⁾⁽²⁾
WTI	US\$/bbl	\$66.90	\$69.75
NGL Price	\$/boe	\$33.00	\$33.40
AECO	\$/GJ	\$3.45	\$3.70
Foreign Exchange Rate	(US\$/CDN\$)	0.80	0.79

MSW Differential	US\$/bbl	\$4.00	\$5.60
Production	Boe/d	5,750 – 6,000	8,900 – 9,400
Royalties	\$/boe	4.90 – 5.40	5.25 – 5.75
Operating Expenses	\$/boe	11.50 - 13.50	9.75 – 11.75
Transportation	\$/boe	0.80 - 0.90	0.55 - 0.65
Interest	\$/boe	2.25 - 2.75	0.75 – 1.25
General and Administrative	\$/boe	2.40 – 2.90	1.65 – 2.15
Hedging loss	\$/boe	5.45 – 5.95	0.00 – 0.25
Capital Expenditures	\$ millions	\$32.5 - \$34.5	\$51.0 - \$53.0
Decommissioning Expenditures	\$ millions	\$1.3 - \$1.5	\$1.5 - \$2.0
Net Debt	\$ millions	\$76.5 - \$79.5	\$20.0 - \$25.0
Forecasted Funds Flow	\$ millions	\$49.5 - \$52.5	\$105.0 - \$110.0
Forecasted Adjusted Funds Flow	\$ millions	\$51.0 - \$54.0	\$106.5 - \$111.5
		Pro-forma Guidance FY 2021 ⁽²⁾	Pro-forma Outlook FY 2022 ⁽¹⁾⁽²⁾
Forecasted Adjusted Funds Flow	\$ millions	\$51.0 - \$54.0	\$106.5 - \$111.5
Capital Expenditures	\$ millions	\$32.5 - \$34.5	\$51.0 - \$53.0
Forecasted Free Adjusted Funds Flow	\$ millions	\$17.5 - \$20.5	\$55.0 - \$59.0
		Pro-forma Guidance FY 2021 ⁽²⁾	Pro-forma Outlook FY 2022 ⁽¹⁾⁽²⁾
Forecasted Free Adjusted Funds Flow	\$ millions	\$17.5 - \$20.5	\$55.0 - \$59.0
Shares outstanding, end of year	millions	85.0	85.0
Financing price	\$/share	\$1.20	\$1.20
Market capitalization @ Financing price	\$ millions	\$102	\$102
FAFF Yield	%	17% - 20%	54% - 58%
		Pro-forma Guidance FY 2021 ⁽²⁾	Pro-forma Outlook FY 2022 ⁽¹⁾⁽²⁾
Forecasted Adjusted Funds Flow	\$ millions	\$51.0 - \$54.0	\$106.5 - \$111.5
Interest	\$/boe	2.25 - 2.75	0.75 – 1.25
EBITDA	\$ millions	\$54.0 - \$57.0	\$109.0 - \$114.0
Net Debt	\$ millions	\$76.5 - \$79.5	\$20.0 - \$25.0
Net Debt/EBITDA		1.4 – 1.5	0.2 – 0.3

Notes:

1. InPlay's plans for 2022 and associated targets remain preliminary in nature and do not reflect a Board approved capital expenditures budget.
2. Subject to completion of the Acquisition.

Production Breakdown by Product Type

Disclosure of production on a per boe basis in this short form prospectus consists of the constituent product types as defined in NI 51-101 and their respective quantities disclosed in the table below:

	Light and Medium Crude oil (bbls/d)	NGLS (boe/d)	Conventional Natural gas (Mcf/d)	Total (boe/d)
2021 Annual Average Pro-forma Production Guidance	3,170	800	11,430	5,875 ⁽¹⁾
2022 Annual Average Pro-forma Production Outlook	4,498	1,338	19,880	9,150 ⁽²⁾
Prairie Storm Assets Closing Production	505	453	5,050	1,800
2022 Prairie Storm Assets Production Estimate	965	585	7,230	2,755 ⁽³⁾

Notes:

1. This reflects the mid-point of the Corporation's pro-forma Acquisition 2021 production guidance range of 5,750 to 6,000 boe/d.
2. This reflects the mid-point of the Corporation's pro-forma Acquisition 2022 production outlook range of 8,900 to 9,400 boe/d.
3. Assumes that 2.0 (1.6 net) wells are brought on production prior to the end of 2021.
4. With respect to forward-looking production guidance, product type breakdown is based upon management's expectations based on reasonable assumptions but are subject to variability based on actual well results.

Senior Credit Facility

In connection with the Acquisition, the Corporation has entered into a commitment letter agreement with its current syndicate of lenders (the "**Lenders**") pursuant to which the Lenders have agreed to increase the aggregate available borrowing capacity of the Senior Credit Facility from \$65.0 million to \$85.0 million, subject to and conditional upon the completion of the Acquisition and the Offering (the "**Senior Credit Facility Amendments**"). In addition to InPlay's current syndicated fully conforming, revolving Senior Credit Facility totaling \$65 million, under the Senior Credit Facility Amendments the Lenders have committed to provide InPlay with an additional \$20 million syndicated term facility maturing November 30, 2022 (the "**Senior Term Facility**"). The Senior Term Facility will require mandatory repayments as follows: (i) \$6 million by May 31, 2022; (ii) \$7 million by August 31, 2022; and (iii) \$7 million by November 30, 2022. The covenant and security package under the new Senior Term Facility will be substantially the same as that prescribed under InPlay's existing Senior Credit Facility, with the exception of an additional affirmative covenant to satisfy certain prescribed hedging requirements during the period the Senior Term Facility remains outstanding.

For a complete description of the Corporation's current Senior Credit Facility, see "*Consolidated Capitalization*" and Note 10 contained within the Interim Financial Statements incorporated by reference herein.

INFORMATION CONCERNING PRAIRIE STORM AND THE PRAIRIE STORM ASSETS

Prairie Storm is a publicly traded junior oil and gas company focused on identifying, acquiring and developing an attractive land base and the production and sale of crude oil, natural gas and natural gas liquids principally in its core areas of Willesden Green and Ferrier in west central Alberta.

Reserve Information Concerning the Prairie Storm Assets

The reserves data for the Prairie Storm Assets set forth below is derived from the Prairie Storm Reserves Report. The Prairie Storm Reserves Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101.

The Prairie Storm Reserves Report was prepared for Prairie Storm and the Corporation is unable to assess Prairie Storm's procedures for providing information to Sproule or for assembling and reporting other information to Sproule associated with the Prairie Storm Assets. See "*Risk Factors – Engineering, Title, Environmental and Economic Assessments required for the Prairie Storm Acquisition that may be Materially Incorrect*". The tables below provide a summary of the crude oil, NGLs and natural gas reserves attributable to the Prairie Storm Assets and the net present value of future net revenue attributable to such reserves as evaluated in the Prairie Storm Reserves Report, based on forecast price and cost assumptions. The tables summarize the data contained in the Prairie Storm Reserves Report

and, as a result, may contain slightly different numbers than such report due to rounding. Due to rounding, certain columns may not add exactly.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by Sproule represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. See "Risk Factors".

All of the reserves associated with the Prairie Storm Assets are located in the Province of Alberta.

Summary of Reserves (Forecast Prices and Costs)

The following table sets out Prairie Storm's reserves as at December 31, 2020 on a forecast pricing and cost, gross and net basis:

Reserves Category	Light & Medium Crude Oil		Conventional Natural Gas				Natural Gas Liquids		Total Equivalent	
			Solution Gas ⁽¹⁾		Associated Gas and Non-Associated Gas					
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mboe)	Net (Mboe)
Proved										
Developed Producing	1,494.2	1,377.7	9,933	9,259	3,406	3,111	1,184.0	1,020.5	4,901.3	4,459.9
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	6,786.3	6,233.0	40,869	38,331	-	-	2,814.4	2,560.1	16,412.3	15,181.6
Total Proved	8,280.5	7,610.6	50,803	47,590	3,406	3,111	3,998.4	3,580.7	21,313.6	19,641.6
Total Probable	2,295.3	2,008.1	12,698	11,886	809	747	984.5	846.8	5,530.9	4,960.4
Total Proved plus Probable	10,575.8	9,618.7	63,500	59,477	4,214	3,858	4,982.9	4,427.4	26,844.5	24,602.0

Note:

- (1) Conventional Natural Gas (Solution Gas) includes all gas produced in association with Light, Medium and Heavy Crude Oil.

Net Present Values of Future Net Revenue

The following tables set out the net present value of future net revenue of Prairie Storm's reserves as at December 31, 2020 using various discount rates on a forecast pricing and cost and before-tax and after-tax basis:

Reserves Category (\$ thousands) ⁽¹⁾	Before Income Taxes					After Income Taxes					Unit Value ⁽²⁾
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	\$/boe
Proved											
Developed Producing	26,572	41,010	37,592	33,226	29,596	26,072	40,696	37,390	33,092	29,505	8.43
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-	-
Undeveloped	214,175	123,009	72,074	42,390	24,155	164,476	91,571	50,454	26,592	12,087	4.75
Total Proved	240,747	164,019	109,666	75,617	53,751	190,548	132,268	87,843	59,684	41,592	5.58
Probable	143,698	90,267	63,416	48,143	38,446	110,833	69,623	48,825	37,051	29,612	12.78
Total Proved plus Probable	384,444	254,286	173,083	123,760	92,197	301,382	201,891	136,668	96,734	71,204	7.04

Notes:

- (1) Net present value of future net revenue includes all resource income, including the sale of oil, gas, by-product reserves, processing third party reserves and other income.
- (2) Unit values are based on net reserve volumes, before income taxes.

Total Future Net Revenue (Undiscounted)

The following table provides a breakdown of the various components of total future net revenue on an undiscounted basis for Prairie Storm's Proved Reserves and Proved plus Probable Reserves calculated as at December 31, 2020:

Reserves Category (\$ thousands)	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Total Proved	893,566	60,522	318,482	206,475	67,340	240,747	50,198	190,548
Total Proved plus Probable	1,154,056	87,624	396,918	214,986	70,084	384,444	83,063	301,382

Net Present Value of Future Net Revenue by Reserves Category and Product Type

The following table provides the net present value of future net revenue before income taxes by reserves category and product type as of December 31, 2020, using forecast prices and costs and discounted at 10% per year:

Reserves Category	Product Type	Future Net Revenue Before Income Taxes (\$M)	Unit Value Before Income Taxes ⁽¹⁾ (\$/boe)
Total Proved	Light & Medium Crude Oil ⁽²⁾	105,982	5.65
	Conventional Natural Gas (Associated Gas and Non- Associated Gas) ⁽³⁾	3,685	4.16
	Total	109,666	
Proved plus Probable	Light & Medium Crude Oil ⁽²⁾	168,404	7.16
	Conventional Natural Gas (Associated Gas and Non- Associated Gas) ⁽³⁾	4,679	4.28
	Total	173,083	

Notes:

- (1) Unit values are calculated using the 10% discount rate divided by the net reserve volumes for each group.
- (2) Including Solution Gas and other by-products.
- (3) Including by-products, but excluding Solution Gas from Oil wells.

Pricing Assumptions

The forecast reference prices as at December 31, 2020 used in preparing Prairie Storm's reserves data in the Prairie Storm Reserves Report are provided in the table below, as are the economic parameters prepared by and assumed by Sproule in preparing forecast prices and costs. All benchmark reference prices, and inflation and exchange rates, used by Sproule in the Prairie Storm Reserves Report were derived from an average consultant industry price forecast effective as at December 31, 2020.

Year	Light & Medium Oil			Conventional Natural Gas	Natural Gas Liquids (Edmonton Par Price)			Inflation (%) ⁽⁶⁾	Exchange Rate \$US/\$CAD ⁽⁷⁾
	WTI (\$US/Bbl) ⁽³⁾	Canadian Light (\$/Bbl) ⁽⁴⁾	WCS (\$/Bbl) ⁽⁵⁾	Alberta AECO Spot Price (\$/MMbtu)	Pentanes Plus (\$/bbl)	Butane (\$/bbl)	Propane (\$/bbl)		
Forecast ⁽¹⁾⁽²⁾									
2021	47.17	55.76	44.63	2.78	59.24	26.36	18.18	0.00%	0.77
2022	50.17	59.89	48.18	2.70	63.19	32.85	21.91	1.33%	0.77
2023	53.17	63.48	52.10	2.61	67.34	39.20	24.57	2.00%	0.76
2024	54.97	65.76	54.10	2.65	69.77	40.65	25.47	2.00%	0.76
2025	56.07	67.13	55.19	2.70	71.18	41.50	26.00	2.00%	0.76
2026	57.19	68.53	56.29	2.76	72.61	42.36	26.54	2.00%	0.76

Year	Light & Medium Oil			Conventional Natural Gas	Natural Gas Liquids (Edmonton Par Price)			Inflation (%) ⁽⁶⁾	Exchange Rate \$US/\$CAD ⁽⁷⁾
	WTI (\$US/Bbl) ⁽³⁾	Canadian Light (\$/Bbl) ⁽⁴⁾	WCS (\$/Bbl) ⁽⁵⁾	Alberta AECO Spot Price (\$/MMbtu)	Pentanes Plus (\$/bbl)	Butane (\$/bbl)	Propane (\$/bbl)		
Forecast ⁽¹⁾⁽²⁾									
2027	58.34	69.95	57.42	2.81	74.07	43.24	27.09	2.00%	0.76
2028	59.50	71.40	58.57	2.87	75.56	44.14	27.65	2.00%	0.76
2029	60.69	72.88	59.74	2.92	77.08	45.06	28.23	2.00%	0.76
2030	61.91	74.34	60.93	2.98	78.62	45.96	28.79	2.00%	0.76
2031	63.15	75.83	62.15	3.04	80.20	46.88	29.37	2.00%	0.76

Escalation rate of 2% per year thereafter

Notes:

- (1) Sproule, GLJ Petroleum Consultants Ltd., McDaniel & Associates Consultants Ltd.
- (2) Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.
- (3) WTI Cushing Oklahoma 40 API.
- (4) Canadian Light Sweet 40 API.
- (5) Western Canadian Sweet 20.5 API.
- (6) Inflation rates for forecasting costs only. Prices inflated 2% where applicable.
- (7) Exchange rates used to generate the benchmark reference prices in the table.

Future Development Costs

The following table sets out the development costs deducted from the estimation of future net revenue attributable to Prairie Storm's Proved Reserves and Proved plus Probable Reserves as at December 31, 2020:

Year	Estimated using Forecast Prices and Costs ⁽¹⁾⁽²⁾	
	Proved Reserves (\$M)	Proved plus Probable Reserves (\$M)
2021	17,432.0	17,432.0
2022	37,574.6	37,574.6
2023	45,397.5	45,724.3
2024	51,335.8	51,335.8
2025	54,735.6	62,919.3
Total for First 5 Years	206,475.5	214,986.0
Thereafter	–	–
Total Undiscounted	206,475.5	214,986.0
Total Discounted at 10%/Year	157,970.9	163,567.2

Notes:

- (1) Future development costs shown are associated with booked reserves in the Prairie Storm Reserves Report and do not necessarily represent a full exploration and development budget.
- (2) Future development costs shown are associated with Prairie Storm's development plan of the reserves in the Prairie Storm Reserves Report and do not necessarily represent the development plan of these reserves that will be pursued by InPlay after the Acquisition.

InPlay expects to fund the development costs of Prairie Storm's reserves through internally generated cash flows and/or debt. There can be no guarantee that funds will be available or that InPlay will allocate funding to develop all of the reserves attributed in the Prairie Storm Reserves Report. Failure to develop those reserves could have a negative impact on InPlay's future cash flows.

Other Oil and Natural Gas Information

Principal Properties

Prairie Storm's holdings are located in the Willesden Green (Cardium and Glauconite formations) and Ferrier

(Cardium formation) areas in west central Alberta. Prairie Storm holds an average working interest of approximately 70% in a large, primarily contiguous land base of 68,908 gross (49,785 net) acres of petroleum and natural gas rights.

Prairie Storm's main assets, located in Townships 39 and 40, Ranges 4 and 5 West of the Fifth Meridian, are the Leafland Cardium Unit No. 2, the Leafland South Cardium Unit No.1, the Willesden Green Glauconitic A Unit No. 1 and the Medicine River Glauconite A Unit No. 1.

Both the Cardium units currently have an active waterflood program and produce light oil, natural gas and associated liquids from the Cardium formation at a depth of approximately 1,800 meters. The Willesden Green Glauconitic A Unit No. 1 has an active water flood program in place, and the Medicine River Glauconite A Unit No. 1 currently has a suspended water flood program that is being reviewed for reactivation. Both Glauconite units produce oil, natural gas, and associated liquids from the Glauconite formation at a depth of approximately 2,250 meters.

In addition to these units, Prairie Storm has various working interests in surrounding non-unitized petroleum and natural gas rights.

Prairie Storm has six facilities that are material to its operations and most provide third party processing revenue to Prairie Storm. These six facilities are summarized in the following table:

Location	Facility	Type	Interest	Description
Willesden Green	Leafland 13-16 Gas Plant	Gas Plant	78%	Key gas processing for Leafland – Cardium units Dedicated TC Energy Meter station
Willesden Green	Leafland 15-31 Gas Plant	Gas Plant	8%	18 MMcf/day plant capacity Cardium unit oil battery
Willesden Green	Leafland South Cardium Unit No.1	Oil Battery	95%	Lease Automatic Custody Transfer (LACT) to Plains Cardium unit oil battery
Willesden Green	Leafland Cardium Unit No. 2	Oil Battery	79%	Potential LACT to Plains
Willesden Green	Willesden Green Compressor Station	Compressor Station	100%	Key egress point to Rimbey gas plant
Willesden Green	Med River Glauconite A Unit No. 1	Oil Battery	100%	Oil processing for Glauconite oil

Oil and Natural Gas Wells

The following table sets out the number and status of wells in which Prairie Storm had a working interest as at December 31, 2020, all of which are located onshore:

Location ⁽¹⁾⁽²⁾	Producing Wells				Shut-in Wells ⁽³⁾			
	Oil		Gas		Oil		Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	93	75.4	26	17.2	30	25.4	19	10.0

Notes:

- (1) All producing and shut-in wells are located in Townships 38 to 43, Ranges 4 to 9 West of the Fifth Meridian in Alberta, Canada.
- (2) This table does not include water source wells, injection wells, abandoned wells or wells that have never produced.
- (3) Shut-in wells means wells which are capable of producing crude oil or natural gas but which are not producing due to current operational conditions.

Properties with No Attributed Reserves

Unproved properties are those properties or parts of properties to which no reserves have been specifically attributed. The following table summarizes, as at December 31, 2020, the gross hectares of unproved properties, the net hectares of unproved properties, and the number of net hectares for which Prairie Storm has rights to explore, develop or exploit that will, absent further action, expire prior to December 31, 2021. Prairie Storm may hold interests in different formations under the same surface area pursuant to separate leases. In circumstances where this exists, only the acreage from the primary lease is included in the table below.

Location ⁽¹⁾	Gross Hectares	Net Hectares	Net Hectares Expiring Within One Year
Alberta	10,726	7,484	-

Note:

- (1) All of Prairie Storm's properties are located in Alberta.

Forward Contracts

As at June 30, 2021, the following commodity contracts entered into by Prairie Storm were outstanding:

Commodity	Contract Type	Term	Notional Volume	Price	Reference
Gas	Fixed price	Apr 1/21 – Oct 31/21	2,000 gj/d	\$2.00	AECO
Gas	Fixed price	Nov 1/21 – Mar 31/22	1,000 gj/d	\$2.30	AECO

Production Estimates

The following table sets out, for each product type, the production volumes for 2021 contained in the estimates of future net revenue from gross Proved Reserves and gross Proved plus Probable Reserves disclosed herein.

	Light & Medium Oil (bbl/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)	Oil Equivalent (boe/d)
Proved				
Leafland – Cardium	583.4	3,466	230.9	1,392.0
Leafland – Glauconite	200.4	1,977	269.8	799.7
Ferrier – Cardium	118.7	1,313	68.5	406.0
Total proved	902.5	6,756	569.2	2,597.7
Probable				
Leafland – Cardium	78.4	444	29.5	181.9
Leafland – Glauconite	11.2	54	7.4	27.6
Ferrier – Cardium	18.9	128	6.7	46.9
Total Probable	108.4	626	43.7	256.4
Proved plus Probable				
Leafland – Cardium	661.8	3,910	260.3	1,573.8
Leafland – Glauconite	211.6	2,031	277.2	827.3
Ferrier – Cardium	137.5	1,441	75.2	452.9
Total proved plus probable	1,010.9	7,382	612.9	2,854.1

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at June 30, 2021: (i) before giving effect to the Offering and the Acquisition; (ii) after giving effect to the Offering and the Acquisition (assuming the Over-Allotment Option is not exercised); and (iii) after giving effect to the Offering and the Acquisition, including the full exercise of the Over-Allotment Option. The table should be read in conjunction with the unaudited interim financial statements of the Corporation as at and for the three and six months ended June 30, 2021 and 2020.

Other than the Senior Credit Facility Amendments to be implemented in connection with completion of the Acquisition, there have been no material changes in our share and loan capital since June 30, 2021.

	<u>As at June 30, 2021 before giving effect to the Offering and the Acquisition</u>	<u>As at June 30, 2021 after giving effect to the Offering and the Acquisition⁽¹⁾</u>	<u>As at June 30, 2021 after giving effect to the Offering, the Acquisition and the Over-Allotment Option⁽¹⁾</u>
Indebtedness			
Senior Credit Facility ⁽⁶⁾⁽⁷⁾⁽⁹⁾	\$48,197,439	\$71,178,919 ⁽²⁾	\$69,767,791 ⁽³⁾
BDC Term Facility ⁽⁸⁾	\$25,833,255	\$25,833,255	\$25,833,255
Share Capital⁽¹⁰⁾⁽¹¹⁾⁽¹²⁾			
Common Shares (unlimited)	\$234,414,188 (68,288,616 Common Shares)	\$253,821,708 ⁽⁴⁾ (84,961,949 ⁽⁴⁾ Common Shares)	\$255,232,836 ⁽⁵⁾ (86,212,949 ⁽⁵⁾ Common Shares)
Preferred Shares (unlimited)	Nil	Nil	Nil

- (1) Notes: See "*Recent Developments – The Acquisition*" for further information on the Acquisition.
- (2) Based on (A) net proceeds from the Offering to the Corporation of \$9,007,520 (see "*Use of Proceeds*"), and (B) the estimated net cash required to complete the Acquisition of: (i) cash portion of the purchase price of the Acquisition of \$40,000,000; less (ii) estimated Prairie Storm cash and cash equivalents on the Acquisition Closing Date of \$9,111,000; and less (iii) the estimated expenses of the Acquisition of \$1,100,000 (exclusive of GST).
- (3) Based on (A) net proceeds from the Offering to the Corporation of \$10,418,648 (see "*Use of Proceeds*"), and (B) the estimated net cash required to complete the Acquisition of: (i) cash portion of the purchase price of the Acquisition of \$40,000,000; less (ii) estimated Prairie Storm cash and cash equivalents on the Acquisition Closing Date of \$9,111,000; and less (iii) the estimated expenses of the Acquisition of \$1,100,000 (exclusive of GST).
- (4) Based on the issuance of: (i) 8,333,333 Common Shares in connection with the Acquisition, at a deemed issuance price of \$1.20 per Common Share; and (ii) 8,340,000 underlying Common Shares pursuant to 8,340,000 Subscription Receipts issued in connection with the Offering for aggregate gross proceeds of \$10,008,000, less the Underwriting Fee of \$600,480.
- (5) Based on the issuance of: (i) 8,333,333 Common Shares in connection with the Acquisition, at a deemed issuance price of \$1.20 per Common Share; and (ii) 9,591,000 underlying Common Shares pursuant to 9,591,000 Subscription Receipts issued in connection with the Offering, including the Over-Allotment Option, for aggregate gross proceeds of \$11,509,200, less the Underwriting Fee of \$690,552.
- (6) As at June 30, 2021, InPlay had a \$65 million credit facility (the "**Senior Credit Facility**") with a syndicate of lenders (collectively, the "**Lenders**") comprised of a \$55 million revolving line of credit and a \$10 million operating line of credit. The Senior Credit Facility is described in Note 10 to the Interim Financial Statements and under the heading "Liquidity and Capital Resources" in the Interim MD&A, which are incorporated by reference herein. There are standard reporting covenants under the Senior Credit Facility, however, there are no financial covenants. As of the date of this short form prospectus, the Corporation is in compliance with the terms of the Senior Credit Facility. As at October 1, 2021, the Corporation was indebted under the Senior Credit Facility in the aggregate amount of \$40,508,865. See "*Risk Factors – Senior Credit Facility Risk*", "*Risk Factors – Additional Indebtedness*" and "*Relationship Between the Corporation and Certain Underwriters*".
- (7) The Corporation has entered into a commitment letter with the Lenders to give effect to the Senior Credit Facility Amendments resulting in the addition of the Senior Term Facility and an increased aggregate authorized borrowing base under the Senior Credit Facility of \$85 million. See "*Recent Developments – Senior Credit Facility*". The Corporation will utilize the Escrowed Funds, together with funds available under the Senior Term Facility, to pay for the cash portion of the purchase price for the Prairie Storm Shares pursuant to the Acquisition. See "*Use of Proceeds*".
- (8) As of June 30, 2021, InPlay had a non-revolving \$25 million, second lien, 4-year term loan facility with Business Development Bank of Canada ("**BDC**") and the Lenders (the "**BDC Term Facility**"). The BDC Term Facility is described in Note 10 to the Interim Financial Statements and under the heading "Liquidity and Capital Resources" in the Interim MD&A, which are incorporated by reference herein. There are standard reporting covenants under the BDC Term Facility and certain operational covenants, however, there are no financial covenants. As at the date of this short form prospectus, the Corporation is in compliance with the terms of the BDC Term Facility. As at October 1, 2021, the Corporation was indebted under the BDC Term Facility in the aggregate amount of \$25 million, plus \$1,053,126 in interest that was added to the principal amount.
- (9) The amount drawn on the Senior Credit Facility after giving effect to the Offering and the Acquisition is based on and reflects the following: (i) the cash consideration for the Acquisition of \$40 million; (ii) the assumption of cash and cash equivalents of approximately \$9,111,000, which is included in the estimate of \$9.5 million of Adjusted Working Capital to be assumed upon the Acquisition Closing Date, after payment of Prairie Storm's estimated transaction costs; (iii) InPlay's estimated transaction costs associated with the Acquisition; and (iv) the netting of \$9,007,520 of net proceeds from the Offering (or \$10,418,648 if the Over-Allotment Option is exercised in full), in each case after deducting expenses of the Offering estimated at \$400,000. See "*Recent Developments – The Acquisition*".

- (10) Does not include stock options ("**Options**") granted pursuant to the stock option plan ("**Option Plan**") of the Corporation. As at June 30, 2021, Options to purchase an aggregate of 6,323,700 Common Shares were outstanding pursuant to the Option Plan. The average price at which outstanding Options are exercisable is \$0.86 per Common Share, and the outstanding Options have a weighted average remaining term to expiry of 3.08 years. Each Option entitles the holder upon exercise to acquire one Common Share. See "*Prior Sales*".
- (11) Share capital does not include 37,000 Common Shares issued upon exercise of Options subsequent to June 30, 2021. See "*Prior Sales*".
- (12) For accounting and financial statement purposes under IFRS, the value of the share consideration payable under the Acquisition will be based upon the market price of the Common Shares immediately prior to the Acquisition Closing Date. Had the Acquisition Closing Date occurred on October 1, 2021, the value ascribed to the share consideration, based on an October 1, 2021 closing price of \$1.66 per Common Share, would have been approximately \$13.8 million.

USE OF PROCEEDS

The following table sets forth the principal purposes for which InPlay proposes to use the total funds available to the Corporation upon the completion of the Offering:

	<u>Amount</u>	<u>Total</u>
Cash portion of purchase price of Acquisition ⁽¹⁾	\$40,000,000	
Estimated Prairie Storm cash and cash equivalents on the Acquisition Closing Date ⁽²⁾	(\$9,111,000)	
Estimated net cash required to complete the Acquisition		\$30,889,000
Gross proceeds raised pursuant to the Offering ⁽³⁾	\$10,008,000	
Underwriting Fee ⁽³⁾	(\$600,480)	
Expenses and costs relating to the Offering	(\$400,000)	
Total estimated net proceeds		\$9,007,520
Portion of cash consideration to be funded by the Senior Credit Facility ⁽⁴⁾		\$21,881,480

Notes:

- (1) Does not include expenses or transaction costs related to the Acquisition.
- (2) To the extent that Prairie Storm's Adjusted Working Capital is less than estimated, the additional amounts required to complete the Acquisition will be funded by the Senior Credit Facility. Prairie Storm's cash and cash equivalents are estimated to be approximately \$9.1 million, which is included in the estimate of the \$9.5 million Adjusted Working Capital to be assumed.
- (3) Assumes the Over-Allotment Option is not exercised. The aggregate gross proceeds from the Offering will be deposited in escrow pursuant to the terms of the Subscription Receipt Agreement. Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds will be released from escrow, whereupon the remaining 50% of the Underwriting Fee (including any interest earned thereon, if any) will be paid to the Underwriters and the balance will be paid to the Corporation. The value in the table above does not include interest earned on the Escrowed Funds, if any. See "*Plan of Distribution*".
- (4) Concurrently with the closing of the Acquisition, InPlay expects to enter into the Senior Term Facility. See "*Recent Developments – Senior Credit Facility*".

The foregoing is based on the issuance of 8,340,000 Subscription Receipts pursuant to the Offering for aggregate gross proceeds of \$10,008,000, less the Underwriting Fee of \$600,480 and the estimated expenses of the Offering of \$400,000 (exclusive of GST), resulting in net proceeds to the Corporation from the sale of the Subscription Receipts issuable hereunder of \$9,007,520. If the Over-Allotment Option is exercised in full, based on the issuance of 9,591,000 Subscription Receipts pursuant to the Offering for aggregate gross proceeds of \$11,509,200, less the Underwriting Fee of \$690,552 and the estimated expenses of the Offering of \$400,000 (exclusive of GST), the net proceeds to the Corporation from the sale of the Subscription Receipts issuable hereunder, including pursuant to the Over-Allotment Option, will be \$10,418,648. To the extent that the Over- Allotment Option is exercised, the portion of the purchase price of the Acquisition to be funded by the Senior Term Facility will be decreased by the amount of the net proceeds from the exercise of the Over-Allotment Option. See "*Plan of Distribution*".

The gross proceeds from the Offering will be held by the Escrow Agent, and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments in accordance with the terms of the Subscription Receipt Agreement) pending the satisfaction of the Escrow Release Conditions. Upon satisfaction of the

Escrow Release Conditions at or before the Termination Time, the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Underwriting Fee, including the interest earned thereon, if any) will be released to the Corporation upon receipt of a notice by the Escrow Agent from the Corporation and acknowledged by the Co-Lead Underwriters that the Escrow Release Conditions have been satisfied. InPlay will utilize the Escrowed Funds, together with funds drawn under the Senior Term Facility to complete the Acquisition pursuant to the Acquisition Agreement. See "*Recent Developments – The Acquisition*".

On release of the Escrowed Funds to the Corporation, holders of Subscription Receipts will receive one underlying Common Share for each Subscription Receipt held, without payment of additional consideration or further action on the part of such holder. If the Acquisition is not completed by the Termination Time, or if the Corporation advises the Co-Lead Underwriters or the Corporation announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, holders of Subscription Receipts will receive an amount equal to the full subscription price attributable to the Subscription Receipts and their pro rata entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any. See "*Details of the Offering*".

The use of net proceeds of the Offering by the Corporation is consistent with the Corporation's stated business objectives and strategic goals of the exploration for and development and acquisition of oil and natural gas reserves. Other than the successful completion of the Offering and the Acquisition, the success of the Corporation in meeting its business objectives will be dependent in part on the success of its drilling program and the availability of other accretive opportunities, which cannot be determined in advance. Upon completion of the Offering and the Acquisition, the Corporation believes it will be better positioned to further its business objectives of exploring for and developing oil and gas assets.

While InPlay believes that it has the skills and resources necessary to accomplish its stated business objectives and strategic goals, participation in the acquisition of, exploration for and development of oil and natural gas reserves has a number of inherent risks. See "*Risk Factors*" herein and in the AIF and "*Business Risks*" in each of the Interim MD&A and the Annual MD&A, which are incorporated by reference herein.

PRIOR SALES

The following table summarizes the issuances by InPlay of Common Shares or securities convertible into Common Shares in the twelve month period prior to the date hereof:

Date of Issuance	Type of Transaction	Number of Securities	Price Per Security
January 15, 2021	Grant of Options	1,042,900 Options	N/A
June 21, 2021	Exercise of Options	32,000 Common Shares	\$0.50
August 25, 2021	Exercise of Options	5,000 Common Shares	\$0.67

PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The outstanding Common Shares trade on the TSX under the trading symbol "IPO". The following sets out the high and low trading prices and aggregate volume of trading for the periods noted below for the Common Shares:

Period	High	Low	Volume
	(\$)	(\$)	
2020			
September	0.19	0.14	1,154,164
October	0.175	0.135	1,331,239
November	0.245	0.155	2,743,511
December	0.24	0.2	1,812,600
2021			
January	0.4	0.23	4,230,015
February	0.45	0.305	4,145,948

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	(\$)	(\$)	
March	0.6	0.4	4,639,968
April	0.55	0.46	2,056,005
May	0.78	0.53	3,262,654
June	1.29	0.75	5,713,346
July	1.5	0.93	5,018,326
August	1.19	0.82	3,413,478
September	1.59	1.01	5,821,034
October (1 – 12)	1.76	1.53	2,536,656

On September 28, 2021, the last trading day prior to the public announcement of the Offering and the Acquisition, the closing price of the Common Shares on the TSX was \$1.41. On October 12, 2021, the last trading day on which the Common Shares traded prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$1.73.

DETAILS OF THE OFFERING

Subscription Receipts

The following is a summary of the material attributes and characteristics of the Subscription Receipts. This summary does not purport to be complete and is subject to, and qualified in its entirety by, reference to the terms of the Subscription Receipt Agreement, which, following the Closing Date, may be viewed under InPlay's profile on SEDAR at www.sedar.com.

The Subscription Receipts will be issued at the closing of the Offering pursuant to the Subscription Receipt Agreement. The TSX has conditionally approved the listing of the Subscription Receipts and the Common Shares underlying the Subscription Receipts on the TSX. Listing will be subject to InPlay's fulfillment of all requirements of the TSX. See "*Risk Factors – Market for Securities*" in this short form prospectus.

The Escrowed Funds will be held by the Escrow Agent, and invested in short-term obligations of, issued or guaranteed by, the Government of Canada or a province of Canada or a Canadian chartered bank (and other approved investments) until the earlier of (i) the satisfaction of the Escrow Release Conditions and delivery of the Notice to the Escrow Agent; and (ii) the occurrence of a Termination Event. Upon satisfaction of the Escrow Release Conditions on or before the Termination Time, InPlay and the Co-Lead Underwriters will deliver a notice (the "**Notice**") to the Escrow Agent that the Escrow Release Conditions have been satisfied, upon which the Escrowed Funds and the interest earned thereon less the remaining portions of the Underwriters' Fee and, will be released, enabling InPlay to complete the Acquisition. Upon delivery of the Notice to the Escrow Agent, each holder of Subscription Receipts will receive one Common Share for each Subscription Receipt held, as applicable, without payment of additional consideration or further action on the part of the holder thereof. Upon satisfaction of the Escrow Release Conditions and the issuance of the Common Shares, we will issue a press release specifying that the Common Shares have been issued. See "*Canadian Federal Income Tax Considerations*".

If a Termination Event occurs, holders of Subscription Receipts shall be entitled to receive from the Escrow Agent an amount equal to the full subscription price attributable to the Subscription Receipts and their *pro rata* entitlement to interest accrued on such amount and the interest that would have been earned on the one-half of the Underwriters' Fee paid to the Underwriters as if such fee had been held in escrow as part of the Escrowed Funds from, and including, the Closing Date to, but excluding, the date upon which a Termination Event occurs, less applicable withholding taxes. The Escrowed Funds will be applied toward payment of such amounts and we will be responsible for payment of any portion of such amount not covered by the Escrowed Funds and interest earned thereon.

Under the Subscription Receipt Agreement, original purchasers of Subscription Receipts will have a contractual right of rescission against InPlay both prior to and following the issuance of the underlying Common Shares to such purchasers to receive the amount paid for the Subscription Receipts if this short form prospectus (including the documents incorporated by reference herein) and any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of closing of the Offering. This

contractual right of rescission will be consistent with the statutory right of rescission as described under the heading "*Statutory Rights of Withdrawal and Rescission*" in this short form prospectus and in addition to any right or remedy available to original purchasers under the securities legislation of certain provinces of Canada or otherwise at law.

Original purchasers of Subscription Receipts are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights, or consult a legal advisor. Holders of Subscription Receipts are not Shareholders. Holders of Subscription Receipts are entitled only to receive Common Shares, if any, or to a return of the subscription price for the Subscription Receipts together with any payments of interest as described above.

In the event that, prior to the date the Common Shares become issuable pursuant to the Subscription Receipts, there is a subdivision, consolidation, reclassification or other change of the Common Shares or any reorganization, amalgamation, merger or sale of all or substantially all of InPlay's assets, the Subscription Receipts will thereafter evidence the right of the holder to receive the securities, property or cash deliverable in exchange for or on conversion of or in respect of the Common Shares to which the holder of a Subscription Receipt would have been entitled immediately after such event if it had been a holder of such Common Shares prior to such event. Similarly, any distribution to all or substantially all of the holders of Common Shares of rights, options, warrants, evidences of indebtedness or assets (other than dividends in the ordinary course) will result in an adjustment in the number of Common Shares to be issued to holders of Subscription Receipts. Alternatively, such securities, evidences of indebtedness or assets may, at InPlay's option, be issued to the Escrow Agent and delivered to holders of Subscription Receipts following the closing of the Acquisition.

The Subscription Receipt Agreement will provide for modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of an extraordinary resolution. The term "extraordinary resolution" will be defined in the Subscription Receipt Agreement to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts represented and voted at a meeting of holders or an instrument or instruments in writing signed by the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts.

Non Certificated Issue

The Subscription Receipts will be issued on a non-certificated book-only basis and must be purchased or transferred through a CDS participant. Except as otherwise provided herein, on the Closing Date, the Subscription Receipts will be issued and registered to CDS or its nominee, CDS & Co. A Subscription Receipt Beneficial Owner will not be entitled to receive a certificate for Subscription Receipts or for the Common Shares. Purchasers of Subscription Receipts will not be shown on the records maintained by CDS, except through a Participant.

Beneficial interests in Subscription Receipts will be represented solely through a non-certificated position which will be evidenced by customer confirmations of purchase from the registered dealer from which the Subscription Receipts are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of the Subscription Receipts will be made only through the depository service of CDS.

Subscription Receipt Beneficial Owners should be aware that they (subject to the situations described below): (i) may not have Subscription Receipts registered in their name; (ii) will not have physical certificates representing their interest in the Subscription Receipts; (iii) may not be able to sell the Subscription Receipts to institutions required by law to hold physical certificates for securities they own; and (iv) may be unable to pledge Subscription Receipts as security.

Subscription Receipt Beneficial Owners will receive a physical subscription receipt certificate only if: (i) required to do so by applicable law; or (ii) CDS advises the Escrow Agent that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Subscription Receipts and we are unable to locate a qualified successor.

Neither we nor any of the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Subscription Receipts held by CDS or any payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Subscription Receipts; or (iii) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and Subscription Receipt Beneficial Owners must look solely to Participants for any payments relating to the Subscription Receipts paid by or on InPlay's behalf to CDS.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, we have agreed to issue and sell an aggregate of 8,340,000 Subscription Receipts. The Underwriters have severally agreed to purchase such Subscription Receipts on the Closing Date. Electronic deposit of the Subscription Receipts is conditional upon payment on closing of \$1.20 per Subscription Receipt, as the case may be, by the Underwriters to the Escrow Agent. The Subscription Receipts shall be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus.

The Underwriting Agreement provides that we will pay the Underwriters' Fee of 6.0% of the gross proceeds of the Offering. The Underwriters' Fee in respect of the Subscription Receipts is payable as to 50% upon the closing of the Offering and 50% on the release of the Escrowed Funds. If a Termination Event occurs, the Underwriters' Fee will be limited to the 50% paid upon closing of the Offering. The terms of the Offering, including the offering price of the Subscription Receipts offered under this short form prospectus, were determined by negotiation between InPlay and the Co-Lead Underwriters on their own behalf, and on behalf of the other Underwriters. Completion of the Offering is subject to a number of conditions and the approval of the TSX.

We have granted the Underwriters the Over-allotment Option to purchase up to an additional 1,251,000 Subscription Receipts at a price of \$1.20 per Subscription Receipt, exercisable from time to time, in whole or in part, until the earlier of: (i) 30 days following closing of the Offering; and (ii) the Termination Time, to cover over-allotments, if any, and for market stabilization purposes. In the event the Over-allotment Option is exercised following the satisfaction of the Escrow Release Conditions and delivery of the Notice to the Escrow Agent, we will issue the same number of Common Shares in lieu of Subscription Receipts. A purchaser who acquires Subscription Receipts or Common Shares, as applicable, forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-allotment Option or secondary market purchases. If the Over-allotment Option is exercised in full, the total Offering, the Underwriters' Fee and the net proceeds to InPlay (before deducting expenses of the Offering) will be \$11,509,200, \$690,552 and \$10,818,648, respectively.

The obligations of the Underwriters under the Underwriting Agreement are several, and may be terminated at their discretion upon the occurrence of certain stated events. Such events include, but are not limited to: (a) any order to cease or suspend trading in any securities of InPlay or prohibiting or restricting the distribution of any of the Subscription Receipts or the Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any government, regulatory authority, commission, court or tribunal or other regulation-making organizations, and such order has not been rescinded, revoked or withdrawn; (b) any inquiry, action, suit, investigation (whether formal or informal) or other proceeding is instituted, announced or threatened or any order is issued under or pursuant to any relevant statute or policy or made by any Governmental Authority in relation to InPlay or any of our directors or senior officers, or there is any change in law, regulation or policy, or the interpretation or administration thereof, or there is a general moratorium on banking activities in the United States or Canada declared by relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services, which, in any such cases, in the opinion of any of the Underwriters, acting reasonably, operates to impact, suspend, restrict, inhibit, prevent or otherwise adversely impact the distribution or trading of the Subscription Receipts or Common Shares; (c) there should occur, be discovered by the Underwriters or be announced by us, any material change, a new material fact, undisclosed material fact or a change in any material fact in respect of InPlay or InPlay and Prairie Storm (taken as a whole) which, in the opinion of any of the Underwriters, acting reasonably, has or could be reasonably expected to have a significant adverse effect on the market price or value of the Subscription Receipts or Common Shares, or could reasonably be expected to result in the purchasers of a material number of

Subscription Receipts or Common Shares underlying the Subscription Receipts exercising their rights under applicable securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof; (d) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, act of war, terrorism, pandemic, including without limitation matters caused by, related to or resulting from the COVID-19 pandemic or similar event, except, with respect to the COVID-19 pandemic, to the extent that there are material adverse developments related thereto after September 28, 2021), or any law, action, regulation or other occurrence of any nature whatsoever, which, in the opinion of the Underwriters or any one of them acting reasonably seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of InPlay or InPlay and Prairie Storm (taken as a whole); (e) we are in breach of or in default under or non-compliance with any covenant, term or condition of the Underwriting Agreement, the Subscription Receipt Agreement or the Acquisition Agreement (and, in the case of the Acquisition Agreement, that is either not susceptible to being cured or which remains uncured following the completion of any cure period prescribed in the agreement), in any material respect, or any representation or warranty given by us in the Underwriting Agreement, the Subscription Receipt Agreement or the Acquisition Agreement becomes or is false in any respect and, which in the sole opinion of the Underwriters, or any of them, acting reasonably, could be reasonably expected to have a material adverse effect on the market price or value of the Common Shares or the Subscription Receipts or any other securities of InPlay; or (g) a Termination Event has occurred. In addition, InPlay's obligations and the obligations of the Underwriters under the Underwriting Agreement to complete the purchase and sale of the Subscription Receipts will terminate automatically if the Acquisition Agreement is terminated or if we have advised the Underwriters or announced to the public that we do not intend to proceed with the Acquisition.

If one or more Underwriters fails to purchase the Subscription Receipts which it has agreed to purchase, the remaining Underwriter(s) may terminate their obligation to purchase their allotment of Subscription Receipts, or may, but are not obligated to, purchase the Subscription Receipts not purchased by the Underwriter or Underwriters which fail to purchase; provided, however, that in the event that the percentage of the total number of Subscription Receipts which one or more Underwriters has failed or refused to purchase is 5% or less of the total number of the Subscription Receipts which the Underwriters have agreed to purchase, the other Underwriters shall be obligated severally to purchase on a pro rata basis the Subscription Receipts which would otherwise have been purchased by the one or more Underwriters which failed or refused to purchase. The Underwriters are, however, obligated to take up and pay for all Subscription Receipts if any are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that we will indemnify the Underwriters and their directors, officers, agents, shareholders and employees against certain liabilities and expenses. See "*Details of the Offering*".

We have been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions that stabilize or maintain the market price of the Subscription Receipts and Common Shares at levels other than those that might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Subscription Receipts initially at the offering price specified herein. After a reasonable effort has been made to sell all of the Subscription Receipts at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Subscription Receipts or Common Shares, as applicable, remaining unsold. In the event the offering price of the Subscription Receipts or Common Shares, as applicable, is reduced, the compensation received by the Underwriters will be decreased by the amount the aggregate price paid by the purchasers for the Subscription Receipts or Common Shares, as applicable, is less than the gross proceeds paid by the Underwriters to InPlay for the Subscription Receipts. Any such reduction will not affect the proceeds we receive.

InPlay has agreed that, prior to 90 days after the Closing Date, it will not issue additional debt, Common Shares, flow-through common shares or other securities convertible or exchangeable into or exercisable for Common Shares or publicly announce an intention to do any of the foregoing, other than for purposes of employee stock options, performance warrants, warrants or awards or pursuant to other incentive plans of the InPlay, to satisfy existing instruments already issued on or before the Closing Date or in connection with arm's length acquisitions, including (without limitation), the Common Shares issuable pursuant to the Subscription Receipts, without the prior written consent of the Co-Lead Underwriters, which consent shall not be unreasonably withheld or delayed

The Subscription Receipts offered hereby and the Common Shares have not been and will not be registered under the 1933 Act, or any state securities laws, and accordingly may not be offered, sold or delivered within the United States except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. Except as permitted in the Underwriting Agreement and as expressly permitted by applicable laws of the United States, the Underwriters will not offer, sell or deliver the Subscription Receipts within the United States. The Underwriting Agreement permits the Underwriters to offer and resell the Subscription Receipts that they have purchased pursuant to the Underwriting Agreement to "qualified institutional buyers" (as defined in Rule 144A under the 1933 Act), in the United States, provided such offers and sales are made in transactions exempt from the registration requirement of the 1933 Act in accordance with Rule 144A thereunder and exempt from registration under applicable state securities laws in reliance on similar exemptions from registration thereunder. Additionally, the Underwriting Agreement provides that the Underwriters will offer and sell the Subscription Receipts outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Subscription Receipts or Common Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement under the 1933 Act.

RELATIONSHIP BETWEEN US AND CERTAIN OF THE UNDERWRITERS

ATB and NBF are, directly or indirectly, wholly-owned subsidiaries of Canadian chartered banks (or other financial institutions) that are Lenders to the Corporation pursuant to the Senior Credit Facility and the BDC Term Facility and to which the Corporation is presently indebted (see notes 4, 5 and 6 to the table under "*Consolidated Capitalization*"). ATB is a wholly-owned subsidiary of ATB Financial. ATB Financial is a provincially regulated financial institution and is also a Lender of the Corporation pursuant to the Senior Credit Facility and the BDC Term Facility. Further, the Co-Lead Underwriters acted as financial advisors to the Corporation in connection with the Acquisition, and each Co-Lead Underwriter will receive a fee upon the closing of the Acquisition. Consequently, the Corporation may be considered to be a "connected issuer" of these Underwriters within the meaning of applicable Canadian securities legislation.

As at October 1, 2021, the Corporation had approximately \$40,508,865 owing under the Senior Credit Facility and \$25 million, plus \$1,053,126 in interest that was added to the principal amount, under the BDC Term Facility, respectively. The Corporation is in compliance with all terms of the Senior Credit Facility and the BDC Term Facility and the Lenders thereunder have not waived any breach by the Corporation of any agreements relating thereto since the execution of the Senior Credit Facility and the BDC Term Facility. The Senior Credit Facility are secured by a first fixed and floating charge debenture over all assets of the Corporation in the amount of \$150 million and general assignment of book debts. Under the terms of the Senior Credit Facility and the BDC Term Facility, the Corporation is required to meet certain reporting and operating requirements. Neither the financial position of the Corporation nor the value of the security under the Senior Credit Facility and the BDC Term Facility, has changed substantially since the indebtedness of the Corporation under the Senior Credit Facility was incurred, other than in the ordinary course of the Corporation's business. See "*Consolidated Capitalization*".

The decision to distribute the Subscription Receipts hereunder and the determination of the terms of the Offering were made through negotiations between the Corporation and the Co-Lead Underwriters, on their own behalf and on behalf of the other Underwriters. The Lenders affiliated with ATB and/or NBF did not have any involvement in such decision or determination, but have been advised of the issuance and the terms hereof. As a consequence of this issuance, ATB and NBF will receive their respective share of the Underwriting Fee. See "*Plan of Distribution*".

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Burnet, Duckworth & Palmer LLP on InPlay's behalf, and by Torys LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of Burnet, Duckworth & Palmer LLP, as a group, and Torys LLP, as a group, own, directly or indirectly, less than 1% of the Common Shares.

PWC are the auditors of InPlay and have confirmed for external audit services for the fiscal year ended December 31,

2020. PWC has advised InPlay that they are independent with respect to InPlay within the meaning of the Code of Professional Conduct of Chartered Professional Accountants of Alberta.

None of the designated professionals of Sproule, both InPlay's and Prairie Storm's independent reserves evaluators, have any registered or beneficial interests, direct or indirect, in any of InPlay's securities or other property or of InPlay's associates or affiliates either at the time they prepared the statements, reports or valuations prepared by it, at any time thereafter or to be received by them.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Burnet, Duckworth & Palmer LLP and Torys LLP (collectively, "**Counsel**"), the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a subscriber who acquires, as beneficial owner, Subscription Receipts pursuant to the Offering and who, for purposes of the Tax Act, holds the Subscription Receipts and will hold the Common Shares (collectively, the "**Securities**") as capital property, deals at arm's length with, and is not affiliated with, InPlay, the Underwriters and any subsequent purchaser of the Securities, and is not exempt from tax under Part I of the Tax Act. Generally, the Securities will be considered to be capital property to a holder provided the holder does not, and is not deemed to, hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to: (i) a holder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) a holder an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iii) a holder that is a "specified financial institution" as defined in the Tax Act; (iv) a holder that reports its "Canadian tax results" (as defined in the Tax Act), in a currency other than Canadian currency; (v) a holder that has or will enter into a "derivative forward agreement" or a "synthetic equity arrangement" (each as defined in the Tax Act) with respect to the Securities; or (vi) that is a corporation resident in Canada (for the purpose of the Tax Act) or a corporation that does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada, and that is or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Securities controlled by a non-resident corporation, individual or trust (or group of such persons that do not deal at arm's length) for the purposes of the "foreign affiliate dumping" rules in Section 212.3 of the Tax Act. **Any such holder should consult its own tax advisor with respect to an investment in the Securities. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Subscription Receipts under this Offering.**

This summary is based upon the provisions of the Tax Act in force as of the date hereof and Counsel's understanding of the current published administrative and assessing practices of the CRA. Except for specifically proposed amendments (the "**Proposed Amendments**") to the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, this summary does not take into account or anticipate changes in the income tax law, whether by legislative, governmental or judicial action, nor any changes in the administrative or assessing practices of the CRA.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or holder of Securities, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. Consequently, prospective holders of Securities should consult their own tax advisors with respect to their particular circumstances.

This summary does not address any tax considerations other than certain Canadian federal income tax considerations. Purchasers of Subscription Receipt and/or Common Shares who are resident in (or citizens of) jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of acquiring, converting, holding and disposing of Subscription Receipts and/or Common Shares.

Holders Resident in Canada

The following portion of the summary is applicable to a Resident Holder.

Certain Resident Holders who might not otherwise be considered to hold their Common Shares as capital property may, in certain circumstances, be entitled to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holders treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election is not available in respect of the Subscription Receipts.

Acquisition of Common Shares Pursuant to Terms of the Subscription Receipts

A Resident Holder will not realize a capital gain or a capital loss on the issuance of a Common Share pursuant to a Subscription Receipt.

The cost to a Resident Holder of any such Common Shares acquired pursuant to a Subscription Receipt will generally be equal to the total of the amount paid by such Resident Holder to acquire the Subscription Receipts. The cost of Common Shares received will generally be averaged with the cost of all other Common Shares held by the Resident Holder as capital property to determine the adjusted cost base of each Common Share held by the Resident Holder.

Other Dispositions of Subscription Receipts

A disposition or deemed disposition by a Resident Holder of Subscription Receipts, other than on the conversion thereof for a Common Share, but including on the repayment of the subscription price thereof by the Escrow Agent in the event the Acquisition is not completed before the Termination Time, will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The cost to a Resident Holder of a Subscription Receipt will generally be the amount paid to acquire the Subscription Receipt. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

In the event that a Resident Holder becomes entitled to the repayment of the subscription price of a Subscription Receipt, any amount that is paid to the holder as, or on account of, interest and that is included in the Resident Holder's income, will be excluded from the holder's proceeds of disposition of the Subscription Receipts.

Pro Rata Share of Interest

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year the amount of any interest accrued to the Resident Holder on the Escrowed Funds to the end of the Resident Holder's taxation year, or that is receivable or received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder that is entitled to receive its share of accrued interest will be required to include in computing income for a taxation year such interest that is receivable or received by the Resident Holder, or by the Escrow Agent on behalf of the Resident Holder, in that taxation year, depending upon the method regularly followed by the Resident Holder in computing income.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which includes interest income.

Disposition of Common Shares

A disposition or a deemed disposition of a Common Share by a Resident Holder (except to InPlay, unless purchased by InPlay in the open market in the manner in which shares are normally purchased by any member of the public in the market) will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be

subject to the tax treatment described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

For the purpose of determining the adjusted cost base to a Resident Holder of Common Shares, when a Common Share is acquired other than pursuant to the terms of a Subscription Receipt, the cost of the newly-acquired Common Share will be averaged with the adjusted cost base of all of the Common Shares owned by the Resident Holder as capital property immediately before that acquisition. The adjusted cost base of a Common Share to a Resident Holder will be the cost to the Resident Holder of the Common Share, with certain adjustments.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which includes taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Holders Not Resident in Canada

This portion of the summary applies to a Non-Resident Holder. Prospective holders of Subscription Receipts who are not resident in Canada should consult their own tax advisors with respect to their particular circumstances in their country of residence.

Acquisition of Common Shares pursuant to terms of the Subscription Receipts

A Non-Resident Holder should not realize a capital gain or loss on the issuance of a Common Share pursuant to a Subscription Receipt.

Other Dispositions of Subscription Receipts

On a disposition of a Subscription Receipt (other than on the acquisition of a Common Share pursuant to the terms of Subscription Receipts as discussed above), a Non-Resident Holder should not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder, unless the Subscription Receipt constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX) at the time of disposition, Subscription Receipts should not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition or deemed disposition thereof unless at any particular time during the 60-month

period immediately preceding the disposition the following two conditions have been met concurrently: (a) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act), partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act) holds a membership interest directly or indirectly through one or more partnerships, or any combination thereof owned 25% or more of any class of the capital stock of InPlay, and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) or (iv) an option, an interest or right in such property, whether or not such property exists (the conditions described in (a) and (b) are the "**TCP Conditions**"). Notwithstanding the foregoing, Subscription Receipts may be deemed to be "taxable Canadian property" in certain other circumstances. A Non-Resident Holder contemplating a disposition of Subscription Receipts that may constitute taxable Canadian property should consult its own tax advisor prior to such disposition.

Pro Rata Share of Interest

A Non-Resident Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited, on account or in lieu of payment of, or in satisfaction of any such interest credited or received on the Escrowed Funds.

Disposition of Common Shares

A Non-Resident Holder should not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of a Common Share issuable pursuant to the terms of the Subscription Receipts, unless the Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX), Common Shares should not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition or deemed disposition thereof unless at any particular time during the 60 month period immediately preceding the disposition, the TCP Conditions are met. Notwithstanding the foregoing, Common Shares may be deemed to be "taxable Canadian property" in certain other circumstances. A Non-Resident Holder contemplating a disposition of Common Shares that may constitute taxable Canadian property should consult its own tax advisor prior to such disposition

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on the current provisions of the Tax Act, the Subscription Receipts and Common Shares would, if issued on the date hereof, be qualified investments at the time of acquisition by a trust governed by a registered retirement savings plan ("**RRSP**"), a registered education savings plan ("**RESP**"), a registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered disability savings plan ("**RDSP**") or a tax-free savings account ("**TFSA**"), each as defined in the Tax Act (each, an "**Exempt Plan**"), provided that, at the time of the acquisition by the Exempt Plan, (i) in the case of the Subscription Receipts: (a) the Common Shares are listed on a designated stock exchange at that time or the Corporation is otherwise a "public corporation" as defined in the Tax Act; (b) the Corporation is not, and deals at arm's length for purposes of the Tax Act with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or holder of, such Exempt Plan; and (c) the Escrowed Funds are invested in one or more "qualified investments" (as defined in the Tax Act) for such Exempt Plan, and (ii) in the case of the Common Shares, either such shares are listed on a designated stock exchange or the Corporation is otherwise a "public corporation" (as defined in the Tax Act).

Notwithstanding the foregoing, if the Subscription Receipts or the Common Shares are "prohibited investments" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP, the holder, annuitant or subscriber thereof, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Subscription Receipts and the Common Shares will not be prohibited investments for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP provided that the holder, annuitant or subscriber thereof, as the case may be, (a) deals at arm's length with the Corporation for purposes of the Tax Act, and (b) does not have a "significant interest" (as defined for purposes

of the prohibited investment rules in the Tax Act) in the Corporation. In addition, the Common Shares will not be "prohibited investments" if the Common Shares are "excluded property" (as defined in the Tax Act) for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP.

Prospective purchasers who intend to hold the Subscription Receipts and/or the Common Shares issued pursuant to the Subscription Receipts in an Exempt Plan should consult their own tax advisors as to whether the Subscription Receipts and the Common Shares will be prohibited investments in their particular circumstances.

RISK FACTORS

An investment in the Subscription Receipts or the underlying Common Shares is subject to certain risks. In addition to the risk factors set forth below, additional risk factors relating to InPlay's business are discussed in the AIF, Annual MD&A, Interim MD&A and certain other documents incorporated by reference or deemed to be incorporated by reference herein, which risk factors are incorporated herein by reference. Prospective purchasers of the Subscription Receipts should consider carefully the risk factors set forth below, as well as the other information contained in and incorporated by reference in this short form prospectus before purchasing the Subscription Receipts. If any event arising from these risks occurs, InPlay's business, prospects, financial condition, results of operations or cash flows, or your investment in the Subscription Receipts and the Common Shares underlying the Subscription Receipts could be materially adversely affected.

Possible Failure to Realize Anticipated Benefits of the Acquisition

The Corporation is proposing to complete the Acquisition to strengthen InPlay's position in the oil and natural gas industry and to create the opportunity to realize certain benefits as described in "*Recent Developments – The Acquisition*" and "*Information Concerning Prairie Storm and the Prairie Storm Assets*". Achieving the benefits of the Acquisition depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from integrating the Prairie Storm Assets into InPlay's existing portfolio of properties. The integration of the Prairie Storm Assets requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of the Acquisition.

Possible Failure to Complete the Acquisition

The Acquisition is subject to the satisfaction of the conditions set forth in the Acquisition Agreement summarized herein, as well as normal commercial risk that the Acquisition may not be completed on the terms negotiated or at all.

If closing of the Acquisition does not take place by the Termination Time, the Escrow Agent will repay to holders of Subscription Receipts an amount equal to the issue price therefore plus a pro rata share of the interest earned on the Escrowed Funds, if any. In that case, the total return that a purchaser of Subscription Receipts would be entitled to receive would be limited to the purchaser's pro rata share of interest earned on the subscription price for such purchaser's Subscription Receipts, if any. The purchaser would not be entitled to participate in any growth in the trading price of the Common Shares. Further, the purchaser would be restricted from using the funds devoted to the acquisition of the Subscription Receipts for any other investment opportunities until the Escrowed Funds are returned to the purchaser. See "*Recent Developments*".

Potential Undisclosed Liabilities Associated with the Acquisition

In connection with the Acquisition, there may be liabilities that InPlay failed to discover or was unable to quantify in the Corporation's due diligence which the Corporation conducted prior to the execution of the Acquisition Agreement, and InPlay may not be indemnified for some or all of these liabilities.

Engineering, Title, Environmental and Economic Assessments required for the Acquisition that may be Materially Incorrect

Acquisitions of oil and natural 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 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 Corporation's control. 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 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 the Corporation's title to certain assets or that environmental defects or deficiencies do not exist.

The Prairie Storm Reserves Report was prepared for Prairie Storm, and the Corporation is unable to assess procedures used for providing information to Sproule, as applicable, or for assembling and reporting other information to Sproule, associated with the Prairie Storm Assets.

Operational, Environmental and Reserves Risks Relating to the Acquisition

The risk factors set forth in the AIF and in this short form prospectus relating to the oil and natural gas business, environmental and InPlay's operations and reserves apply equally in respect of the Prairie Storm Assets.

Acquisition Related Costs

The Corporation expects to incur a number of costs associated with completing the Acquisition and integrating the operations of Prairie Storm into InPlay's existing operations. The substantial majority of such costs will be non-recurring expenses resulting from the Acquisition and will consist of transaction costs related to the Acquisition, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of InPlay and Prairie Storm's respective businesses.

Completion of Offering

Although the Corporation has entered into the Underwriting Agreement with the Underwriters, there is no guarantee that all of the conditions to the completion of the Offering will be satisfied.

Credit Facility Risk

The amount authorized under the Senior Credit Facility is dependent on the borrowing base determined by the Lenders. The Corporation is required to comply with covenants under the Senior Credit Facility and the BDC Term Facility, which from time to time either affect the availability, or price, of additional funding, and in the event that the Corporation does not comply therewith its access to capital could be restricted or repayment could be required. The failure of the Corporation to comply with such covenants, which may be affected by events beyond the Corporation's control, could result in a default under the Senior Credit Facility and/or the BDC Term Facility, which could result in the Corporation being required to repay amounts owing thereunder. Even if the Corporation is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If the Corporation is unable to repay amounts owing, the lenders under the Senior Credit Facility and/or the BDC Term Facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of the Corporation's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the Senior Credit Facility and/or the BDC Term Facility may, from time to time, impose operating and financial restrictions on the Corporation that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to the Corporation's securities, incurring of additional indebtedness, provision of guarantees, the

assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

The Corporation's borrowing base is determined and re-determined by the Lenders based on the Corporation's reserves, commodity prices, applicable discount rate and other factors as determined by the Corporation's lenders. A material decline in commodity prices could reduce the Corporation's borrowing base, therefore reducing the funds available to the Corporation under the Senior Credit Facility which could result in a portion, or all, of the Corporation's bank indebtedness being required to be repaid.

Additional Indebtedness

Upon closing of the Acquisition, InPlay will incur additional indebtedness pursuant to the Senior Credit Facility Amendments. Any additional indebtedness incurred by the Corporation under the Senior Term Facility will increase the amount of interest payable by the Corporation from time to time until such indebtedness is repaid, which will represent an increase in the Corporation's interest costs and a potential reduction in the Corporation's net income. The Corporation may also need to find additional sources of financing to repay any such additional indebtedness when it becomes due. There can be no guarantee that the Corporation will be able to obtain financing on terms acceptable to it or at all at such time.

Transaction and Related Costs

The Corporation expects to incur a number of costs associated with completing the Acquisition and integrating the Prairie Storm Assets. Most of such costs will consist of transaction costs related to the Acquisition, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the Prairie Storm Assets into the Corporation's business.

Subscription Receipt Structure

The holders of Subscription Receipts will receive Common Shares upon the satisfaction of the Escrow Release Conditions. Subject to the terms of the Underwriting Agreement, the Corporation may waive certain closing conditions in its favour in the Acquisition Agreement or agree to amend the Acquisition Agreement and consummate the Acquisition on terms that may be different from those described in this short form prospectus. As a result, the expected benefits of the Acquisition may not be fully realized. As a consequence, holders of Subscription Receipts will essentially assume the same risk as though they had invested directly in Common Shares on the Closing Date.

Effect of Commodity Prices on Operational and Financial Results

The Corporation's operational and financial results are dependent on the prices received for oil and natural gas production. Any substantial and extended decline in the price of oil and natural gas has had and, if such trends continue, will have an adverse effect on, among other things, the Corporation's revenues and financial condition. See also "*Risk Factors – Weakness and Volatility in the Oil and Natural Gas Industry*" in the AIF.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the underlying Common Shares issued pursuant to the Subscription Receipts at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation'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 the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Special Note Regarding Forward-Looking Statements*". In addition, the market price for securities in the stock markets, including the TSX, recently 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 Common Shares.

Market for Securities

The TSX has conditionally approved the listing of the Subscription Receipts and the Common Shares underlying the Subscription Receipts on the TSX. Such listing is subject to the Corporation fulfilling all of the listing requirements of the TSX no later than three business days preceding the Closing Date. However, there is currently no market through which the Subscription Receipts may be sold and there is no guarantee that an active trading market will develop. Accordingly, purchasers may not be able to resell the Subscription Receipts distributed under this short form prospectus. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and the availability of trading prices and the liquidity of the securities. There can be no assurance that an active trading market will develop for the Subscription Receipts after the Offering, or if developed, that such a market will be sustained at the price level of the Offering.

Effect of COVID-19 and Other Infectious Disease, Pandemic or a Similar Health Threat

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of a novel strain of coronavirus, COVID-19, or a fear of any of the foregoing, could adversely impact the Corporation by causing operating, supply chain and project development delays, disruptions and challenges, labour shortages and challenges and shutdowns (including as a result of government regulation and prevention measures), and increased costs to the Corporation. In addition, the recent COVID-19 outbreak and prevention measures related thereto may have an impact on the economic activity in the markets in which the Corporation and its subsidiaries operate, causing negative impacts on the Corporation's business and financial results. See "*Business Risks*" in the Interim MD&A. Given the unprecedented and changing developments surrounding the COVID-19 pandemic, it is not possible to reliably estimate the impact of the COVID-19 pandemic on the financial results and condition of the Corporation in future periods, but the impact could be significantly adverse.

Forward-Looking Statements and FOFI may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information included in this short form prospectus or the documents incorporated by reference in this short form prospectus, including the forward- looking information under "*Recent Developments*". By their nature, forward-looking information and FOFI involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information and/or FOFI or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the FOFI presented in this short form prospectus is based upon the completion of the Acquisition and the Offering, and if any of these transactions are not completed or not completed on the terms or timelines contemplated, this will impact the forward-looking FOFI provided herein and such impact may be material. See "*Special Note Regarding Forward-Looking Statements*".

Impact of Future Financings

In order to finance future operations, the Corporation may raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares. The Corporation cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Corporation's securities will have on the market price of the Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of InPlay are PWC, Suite 3100, 111 – 5th Avenue S.W., Calgary, Alberta, Canada T2P 5L3.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

In addition, under the Subscription Receipt Agreement, original purchasers of Subscription Receipts will have a contractual right of rescission against InPlay both prior to and following the issuance of underlying Common Shares to such purchasers to receive the amount paid for the Subscription Receipts if this short form prospectus (including the documents incorporated by reference herein) and any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of closing of the Offering.

CERTIFICATE OF INPLAY

Dated: October 13, 2021

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Canada, except Québec

INPLAY OIL CORP.

(signed) "*Douglas J. Bartole*"
President and Chief Executive
Officer and Director

(signed) "*Darren Dittmer*"
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "*Craig Golinowski* "
Director

(signed) "*Stephen Nikiforuk*"
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: October 13, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the Provinces of Canada, except Québec.

EIGHT CAPITAL

(signed) "Kevin Leonard"

Principal, Managing Director, Investment Banking

ATB CAPITAL MARKETS INC.

(signed) "Patrick Stables"

Managing Director, Investment Banking

CANACCORD GENUITY CORP.

(signed) "Andrew D. Birkby"

Managing Director, Investment Banking

NATIONAL BANK FINANCIAL INC.

(signed) "Ian Charles"

Managing Director, Investment Banking

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

(signed) "Kelly Hughes"

Head of Investment Banking