

EARLY WARNING REPORT

FORM 62-103F1

Required Disclosure under the Early Warning Requirements

This report is made pursuant to Part 3 of National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Report Issues.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to common shares ("**Common Shares**") in the capital of Topaz Energy Corp. ("**Topaz**" or the "**Company**")

Topaz Energy Corp.
Suite 2900, 250 6th Avenue SW
Calgary, Alberta T2P 3H7

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Tourmaline Oil Corp. ("**Tourmaline**" or the "**Selling Shareholder**")
Suite 2900, 250 6th Avenue SW
Calgary, Alberta T2P 3H7

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On September 21, 2021, a secondary offering (the "**Offering**") of Common Shares was completed. Pursuant to the Offering the Selling Shareholder disposed of 7,000,000 Common Shares at a price of \$15.45 per Common Share for total gross proceeds to the Selling Shareholder of \$108.15 million. The Company has not and will not receive any of the proceeds of the Offering.

The Offering was made, on a bought deal basis, pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated effective August 30, 2021 among the Company, the Selling Shareholder and Peters & Co. Limited (the "**Lead Underwriter**"), BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., Stifel Nicolaus Canada Inc. and TD Securities Inc. (collectively with the Lead Underwriter, the "**Underwriters**"). In connection with the Offering, the Underwriters received a cash commission equal to 4% of the gross proceeds of the Offering.

The Common Shares were offered by way of a short form prospectus filed in all of the provinces of Canada. Private placement offerings in the United States were made to “qualified institutional buyers” pursuant to Rule 144A of the *United States Securities Act of 1933*.

2.3 State the names of any joint actors.

Not applicable.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file this report and the change in the acquiror’s securityholding percentage in the class of securities.

Pursuant to the Offering, the Selling Shareholder disposed of legal and beneficial ownership of 7,000,000 Common Shares, representing approximately 5.44% of the issued and outstanding Common Shares.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file this report.

See Item 3.1 above.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the Offering, the Selling Shareholder held 58,149,494 Common Shares, representing approximately 45.15% of the issued and outstanding Common Shares. Following the closing of the Offering, the Selling Shareholder holds 51,149,494 common shares, representing approximately 39.71% of the issued and outstanding Common Shares.

3.5 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

See Item 3.1 and 3.4 above.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

(c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 – Consideration Paid

4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The Offering constituted a public offering of Common Shares and sale of a portion of Tourmaline's holdings of Topaz. In connection with the Offering, net proceeds of approximately \$103.82 million were paid to, and received by, Tourmaline, representing the gross proceeds of the Offering less the fees paid to the Underwriters by the Selling Shareholder.

4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See Item 4.1 above.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following: (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer; (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries; (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board; (e) a material change in the present capitalization or dividend policy of the reporting issuer; (f) a material change in the reporting issuer's business or corporate structure; (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company; (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace; (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada; (j) a solicitation of proxies from securityholders; (k) an action similar to any of those enumerated above.

The Offering constituted a public offering of Common Shares and sale of a portion of Tourmaline's holdings of Topaz. Tourmaline intends to hold its Common Shares for investment purposes. Tourmaline does not have any current plans or intentions that relate to, or would result in, the items listed in (a) through (k) above, but may from time to time, depending on market and other conditions, acquire additional Common Shares or dispose of Common Shares through market transactions, public offerings, private agreement or otherwise.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

The Offering was carried out pursuant to the terms of the Underwriting Agreement. A copy of the Underwriting Agreement is available under Topaz's SEDAR profile at www.sedar.com.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

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Item 9 – Certification

I, as the acquiror, certify, or I, as the agent filing this report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED this 21st day of September, 2021.

TOURMALINE OIL CORP.

Per: (signed) "Brian G. Robinson"
Brian G. Robinson
Vice President, Finance and Chief
Financial Officer