

**WHITECAP RESOURCES INC.**  
**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**1. NAME AND ADDRESS OF COMPANY**

Whitecap Resources Inc. ("**Whitecap**" or the "**Corporation**")  
3800, 525 – 8 Avenue S.W.  
Calgary, Alberta T2P 1G1

**2. DATE OF MATERIAL CHANGE**

December 8, 2020.

**3. NEWS RELEASE**

A news release setting out information concerning the material changes described in this report was issued by the Corporation on December 8, 2020 and disseminated through the facilities of a recognized news service, and would have been received by the securities commissions where the Corporation is a reporting issuer in the normal course of dissemination.

**4. SUMMARY OF MATERIAL CHANGE**

On December 8, 2020, Whitecap and TORC Oil and Gas Ltd. ("**TORC**") entered into a business combination agreement (the "**Agreement**") to effect a combination of the two companies (the "**Business Combination**") under the *Business Corporations Act* (Alberta) (the "**ABCA**"). A copy of the Agreement has been filed on the SEDAR website at [www.sedar.com](http://www.sedar.com) under the Corporation's profile. The Business Combination will result in holders of common shares of TORC ("**TORC Shares**") receiving 0.570 common shares of Whitecap ("**Whitecap Shares**") for each TORC Share owned.

**5. FULL DESCRIPTION OF MATERIAL CHANGE**

**5.1 FULL DESCRIPTION OF MATERIAL CHANGE**

This is a summary of the Agreement and reference should be made to the full text of the Agreement, which is available on SEDAR.

*The Business Combination*

On December 8, 2020, Whitecap and TORC entered into the Agreement to effect a combination of the two companies by way of a plan of arrangement under the ABCA. The Business Combination will result in holders of TORC Shares ("**TORC Shareholders**") receiving 0.570 Whitecap Shares for each TORC Share owned.

*Interim Order, Whitecap and TORC Meetings and Closing*

The Agreement provides that the Business Combination will be effected under the ABCA. Pursuant to the Agreement, TORC has agreed to use its reasonable commercial efforts to make an application for an interim order (the "**Interim Order**") of the Court of Queen's Bench of Alberta on or prior to January 15, 2021. The Interim Order is expected to contain declarations and directions with respect to the Business Combination and the calling and conduct of a special meeting (the "**TORC Meeting**") of **TORC Shareholders** at which TORC Shareholders will be asked to consider and, if thought fit, approve a special resolution (the "**Business Combination Resolution**") respecting the Business Combination. Whitecap has agreed to call a special meeting (the "**Whitecap Meeting**") of shareholders of Whitecap (the "**Whitecap Shareholders**") at which the Whitecap Shareholders will be asked to consider and, if thought fit, approve

an ordinary resolution authorizing the issuance of Whitecap Shares to the TORC Shareholders under the Business Combination (the "**Share Issuance Resolution**").

The Agreement contemplates that the Whitecap Meeting and TORC Meeting will each be held no later than February 18, 2021. It is expected that a joint management information circular will be sent to the Whitecap Shareholders and TORC Shareholders in late December 2020 or early January 2021. Closing of the Business Combination is expected to occur in February 2021.

The Agreement provides that the outside date for completion of the Business Combination is March 26, 2021.

#### *Board*

Pursuant to the terms of the Agreement and subject to receipt of approval by the Whitecap Shareholders of the resolution to amend the articles of Whitecap (the "**Article Amendment Resolution**") at the Whitecap Meeting, Whitecap has agreed to appoint a representative from the board of directors (the "**TORC Board**") of TORC to the board of directors (the "**Whitecap Board**") of Whitecap on closing of the Business Combination.

#### *Shareholder Approvals*

Subject to the terms of the Interim Order, it is expected that the Business Combination Resolution will require approval by: (i) two-thirds of the votes cast by TORC Shareholders present in person or by proxy at the TORC Meeting; and (ii) if determined necessary, a majority of the TORC Shareholders after excluding the votes cast in respect of the TORC Shares held by persons whose votes may not be included in determining minority approval in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The Share Issuance Resolution will require approval by a simple majority of the votes cast by Whitecap Shareholders present in person or by proxy at the Whitecap Meeting. In the event that requisite approvals of the Whitecap Shareholders and the TORC Shareholders are not received, the Business Combination will not proceed.

#### *Representations and Warranties of Whitecap and TORC*

Whitecap and TORC have each made customary representations, warranties and covenants in the Agreement, including, among others, covenants to conduct their businesses in the ordinary course between the execution of the Agreement and the completion of the Business Combination and covenants not to engage in certain transactions during that period.

#### *Conditions to the Completion of the Business Combination*

In addition to the required approvals of the Whitecap Shareholders and TORC Shareholders, completion of the Business Combination is subject to customary conditions including, among others, (i) the approval of the Court of Queen's Bench of Alberta, (ii) the receipt of required regulatory approvals including approvals under the *Competition Act* (Canada), (iii) dissent rights shall not have been exercised or exercised and not withdrawn with respect to more than 5% of the issued and outstanding TORC Shares, (iv) receipt of the necessary approvals for the listing of the Whitecap Shares to be issued under the Business Combination on the Toronto Stock Exchange, and (v) the absence of any action that has been taken under any existing applicable law, statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any governmental authority, that: (A) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Business Combination or any other transactions contemplated by the Agreement; or (B) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated by the Agreement.

### *Board Recommendations*

The Whitecap Board has unanimously approved the Business Combination, determined that the Business Combination is in the best interests of Whitecap and the Whitecap Shareholders and has recommended that the Whitecap Shareholders vote in favour of the Share Issuance Resolution. National Bank Financial Inc. has provided the Whitecap Board with its verbal opinion that, subject to its review of the final form of documents effecting the Business Combination, the exchange ratio pursuant to the Agreement is fair, from a financial point of view, to Whitecap.

The TORC Board has unanimously approved the Business Combination, determined that the Business Combination is in the best interests of TORC and the TORC Shareholders and has recommended that the TORC Shareholders vote in favour of the Business Combination Resolution. RBC Capital Markets has provided the TORC Board with its verbal opinion that, subject to its review of the final form of documents effecting the Business Combination, the exchange ratio pursuant to the Agreement is fair, from a financial point of view, to the TORC Shareholders.

### *Support Agreements*

All of the directors and officers of Whitecap have entered into agreements with TORC pursuant to which they have agreed to vote their Whitecap Shares in favour of the Share Issuance Resolution and the Article Amendment Resolution and otherwise support the Business Combination.

All of the directors and executive officers of TORC and TORC's largest shareholder, Canada Pension Plan Investment Board, have entered into support agreements with Whitecap pursuant to which they have agreed to vote their TORC Shares in favour of the Business Combination Resolution and otherwise support the Business Combination.

### *Non-Solicitation and Termination Fee*

Pursuant to the terms of the Agreement, TORC has agreed that it will not solicit, initiate, encourage or otherwise facilitate any discussions concerning any other business combination or sale of material assets. The TORC Board may respond to unsolicited superior proposals subject to certain requirements and notification to Whitecap who has the right to match any superior proposals within a 72-hour match period. The Agreement provides for a reciprocal termination fee of \$20 million payable in certain circumstances if the Business Combination is not completed.

## **5.2 DISCLOSURE FOR RESTRUCTURING TRANSACTIONS**

Not applicable.

## **6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102**

Not applicable.

## **7. OMITTED INFORMATION**

Not applicable.

## **8. EXECUTIVE OFFICER**

For further information, contact Mr. Thanh Kang, Chief Financial Officer, by telephone at (403) 266-0767.

## 9. DATE OF REPORT

December 17, 2020.

### *Cautionary Note Regarding Forward-Looking Statements*

This material change report contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this material change report contains forward-looking statements and information relating to the contents of the Interim Order, the expected completion of the Business Combination, the expected composition of the Whitecap Board following the Business Combination, the shareholder approval requirements of the Business Combination Resolution, the expected timing for mailing the joint management information circular of Whitecap and TORC, the expected timing for holding the Whitecap Meeting and the TORC Meeting and the expected timing of closing the Business Combination. These forward-looking statements and information are based on certain key expectations and assumptions made by Whitecap. Completion of the Business Combination is subject to a number of conditions which are typical for transactions of this nature. Assumptions have been made with respect to the satisfaction of all conditions precedent under the Agreement. Although Whitecap believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Whitecap cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the failure to satisfy any of the conditions to completion of the Business Combination, the emergence of a superior proposal in respect of either party or the failure to obtain approval of the Whitecap Shareholders or TORC Shareholders which may result in the termination of the Agreement.

Readers are cautioned that the foregoing list of risks and uncertainties is not exhaustive. Additional risk factors that could affect Whitecap's operations or financial results are included in Whitecap's annual information form and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). The forward-looking statements and information contained in this material change report are made as of the date hereof and Whitecap does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.