

Form 62-103F3
Required Disclosure by an Eligible Institutional Investor under Part 4

Item 1 – Security and Reporting Issuer

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

Headwater Exploration Inc. (the “Reporting Issuer”)
1700, 500-4th Ave SW
Calgary, Alberta
T2P 2V6

This report relates to the common shares of the Reporting Issuer.

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

Toronto Stock Exchange

Item 2 – Identity of the Eligible Institutional Investor

2.1 State the name and address of the eligible institutional investor.

Canoe Financial LP (“Canoe Financial”)
421-7th Avenue SW, Suite 2750
Calgary, AB
T2P 4K9

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.

This filing is being made to report Canoe Financial’s holdings as at November 30, 2020.

2.3 State the name of any joint actors.

N/A.

2.4 State that the eligible institutional investor is eligible to file reports under Part 4 in respect of the reporting issuer.

Canoe Financial is eligible to file reports under Part 4 of National Instrument 62-103 in respect of the Reporting Issuer.

Item 3 –Interest in Securities of the Reporting Issuer

3.1 State the designation and the net increase or decrease in the number or principal amount of securities, and in the eligible institutional investor’s security holding

percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 or the early warning requirements.

Canoe Financial's security holding percentage in the Reporting Issuer increased to over 11%. As at November 30, 2020, Canoe Financial has control or direction over 11.58% of the common shares of the Reporting Issuer on behalf of various investment funds that it manages.

3.2 State the designation and number or principal amount of securities and the eligible institutional investor's security holding percentage in the class of securities at the end of the month for which the report is made.

As at November 30, 2020, Canoe Financial exercises control or direction over 16,797,565 common shares of the Reporting Issuer, on behalf of various investment fund that it manages. This represents approximately 11.58% of the common shares of the Reporting Issuer, assuming approximately 145,044,493 total issued and outstanding common shares.

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 percentage of outstanding securities of the class of securities to which this report relates and over which

- (a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control,**

Not applicable

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

Not applicable

- (c) the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Canoe Financial has exclusive control over 16,797,565 of common shares of the Reporting Issuer that are beneficially owned by various investment funds that it manages. This represents approximately 11.58% of the common shares of the Reporting Issuer.

3.5 If the eligible institutional investor 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 eligible institutional investor's security holdings.

Not applicable

- 3.6 If the eligible institutional investor 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

- 3.7 If the eligible institutional investor 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 eligible institutional investor'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 – Purpose of the Transaction

State the purpose or purposes of the eligible institutional investor and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the eligible institutional investor 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 issuer;**
- (b) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (c) 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;**
- (d) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (e) a material change in the reporting issuer's business or corporate structure;**

- (f) 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;
- (g) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (h) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (i) a solicitation of proxies from securityholders;
- (j) an action similar to any of those enumerated above.

Canoe Financial's interest in securities of the Reporting Issuer is for investment purposes and it may increase or decrease its interests in the future as considered appropriate in light of market conditions and other factors.

Item 5 – 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 eligible institutional investor 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, puts or calls, 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.

Not applicable.

Item 6 – Change in Material Fact

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

Not applicable.

Item 7 – Certification

I, as the eligible institutional investor, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: December 9, 2020

**Canoe Financial LP,
by its general partner, Canoe Financial Corp.**

Per: (signed) “Darcy Hulston”
Name: Darcy Hulston
Title: President & CEO