



(delivered electronically and by mail)

**IMPORTANT DEADLINES/ACTION REQUIRED**

**STRICTLY CONFIDENTIAL**

**The Saguaro Board unanimously recommends that Saguaro Shareholders vote FOR the Arrangement Resolution by executing the enclosed Written Resolution.**

**The Arrangement has received the requisite shareholder approval as Saguaro Shareholders holding an aggregate of 178,870,115 Saguaro Shares, representing an aggregate of approximately 88.29% of the total issued and outstanding Saguaro Shares have executed the enclosed Written Resolution.**

May 9, 2025

Dear Shareholder:

**Re: Acquisition of Saguaro Resources Ltd. (the "Corporation" or "Saguaro") by Tourmaline Oil Corp. (the "Purchaser" or "Tourmaline")**

*Please note that the contents of this notice and its appendices (collectively, the "Notice of Written Resolution") are strictly confidential and are not to be disclosed to anyone except for any legal and financial advisors you may have, who shall be informed by you of the confidential nature of this Notice of Written Resolution and will be subject to the same terms of confidentiality. All amounts in this Notice of Written Resolution are in Canadian dollars, unless otherwise stated.*

*You should read this Notice of Written Resolution in its entirety. Neither the Corporation nor the Purchaser is providing you with legal or tax advice regarding the Arrangement (as defined below) or the contents of this Notice of Written Resolution and you are encouraged to obtain your own independent advice from your own advisor(s).*

*Your prompt attention to the matters set forth in this Notice of Written Resolution is greatly appreciated.*

We are pleased to advise that the Corporation has entered into an arrangement agreement dated May 2, 2025 (the "**Arrangement Agreement**") with the Purchaser. Subject to the terms and conditions of the Arrangement Agreement, the Purchaser will acquire all of the issued and outstanding common shares in the capital of the Corporation (the "**Saguaro Shares**") by way of a statutory plan of arrangement (the "**Arrangement**") pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**") for consideration of C\$500 million, less the net debt of Saguaro, payable through the issuance of common shares of Tourmaline.

Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest development-cost natural gas in North America. Tourmaline is an investment grade exploration and production company providing strong and predictable operating and financial performance through the development of its three core areas in the Western Canadian Sedimentary Basin. With its existing large reserve base, decades-long drilling inventory, relentless focus on execution, cost management, and environmental performance improvement, Tourmaline provides shareholders an excellent return on capital, and an attractive source of income through its base dividend and surplus free cash flow distribution strategies. Additional information relating to Tourmaline, including Tourmaline's press release announcing, among other things, the Arrangement, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). We

encourage you to review Tourmaline's public disclosure record prior to deciding whether to support the Arrangement and signing the Written Resolution (as defined below).

The Arrangement Agreement contains a number of customary terms and conditions that must be fulfilled or waived in order for the Arrangement to become effective, including execution of the Written Resolution by holders of at least two-thirds of the Saguaro Shares (the "**Requisite Shareholder Approval**") and the approval of the Court of King's Bench of Alberta (the "**Court**").

Holders of Saguaro Shares ("**Shareholders**"), including all of Saguaro's directors and officers and significant shareholders, holding an aggregate of 178,870,115 Common Shares, representing approximately 88.29% of the total issued and outstanding Common Shares, have entered into irrevocable support agreements (collectively, the "**Support Agreements**") in respect of the Arrangement and such supporting Shareholders have executed the Written Resolution and/or agreed to vote all of the Common Shares held by such persons in favour of the Written Resolution and to otherwise support the Arrangement, subject to the terms of the Support Agreements. Accordingly, the Requisite Shareholder Approval has been obtained. In addition, the supporting Shareholders have agreed to, among other things, provide all consents required under the fourth amended and restated shareholder agreement dated December 2, 2015 by and among Saguaro and the shareholders of Saguaro listed in Schedule A attached thereto (the "**Shareholder Agreement**"), in order for Saguaro to complete the Arrangement.

In light of the Requisite Shareholder Approval having been obtained, Saguaro has agreed in the Arrangement Agreement that it is not permitted or able to enter into any agreement with any person relating to any Acquisition Proposal, including an Acquisition Proposal that is a Superior Proposal (as such terms are defined in the Arrangement Agreement).

### Appendixes

To assist you in deciding whether to approve the Arrangement and execute the Written Resolution, this Notice of Written Resolution contains the following:

1. details of the Arrangement (see Appendix A attached hereto);
2. a copy of the Arrangement Agreement, including the plan of arrangement attached thereto (the "**Plan of Arrangement**") (see Appendix B attached hereto);
3. a copy of the fairness opinion (the "**Fairness Opinion**") of ATB Securities Inc. ("**ATB Securities**") (see Appendix C attached hereto); and
4. a copy of the interim order of the Court of King's Bench of Alberta dated May 9, 2025 (the "**Interim Order**") (see Appendix D attached hereto).

### Enclosures

We have also enclosed the following documents for your completion, signature and return, and which are further described below:

1. the Written Resolution (**TO BE COMPLETED, SIGNED AND RETURNED BY YOU PRIOR TO 5:00 P.M. ON JUNE 3, 2025**); and
2. a letter of transmittal ("**Letter of Transmittal**") for use in submitting Saguaro Shares to Odyssey Trust Company in order to receive the Consideration Shares (as defined in the Arrangement Agreement) that Shareholders (other than Shareholders who exercise dissent rights in respect of the Arrangement) are entitled to pursuant to the Arrangement (**TO BE COMPLETED, SIGNED AND RETURNED BY YOU PRIOR TO YOU RECEIVING THE CONSIDERATION SHARES UNDER THE ARRANGEMENT**).

### ***Written Resolution***

Pursuant to the Arrangement Agreement and the ABCA, the Arrangement is required to be approved by a special resolution of Shareholders (the "**Arrangement Resolution**"). The Arrangement Resolution must be approved by Shareholders holding not less than two-thirds of the issued and outstanding Saguaro Shares. Pursuant to Section 141(2.1) of the ABCA, a resolution of shareholders of a non-reporting issuer (such as Saguaro) may be passed by way of a resolution in writing signed by the holders of at least two-thirds of the shares entitled to vote on that resolution, in lieu of a meeting of shareholders. As such, Saguaro is seeking approval of the Arrangement Resolution by having Shareholders sign the written resolution (the "**Written Resolution**") enclosed herewith, which is irrevocable (subject to the terms of the Written Resolution), in accordance with the instructions set out below. In connection with signing of the Arrangement Agreement, the Written Resolution has been executed by Shareholders holding approximately 88.29% of the Saguaro Shares.

We request that you date and execute and return the enclosed Written Resolution in connection with the approval of the Arrangement: (a) by email to Burnet, Duckworth & Palmer LLP, at [pgupta@bdplaw.com](mailto:pgupta@bdplaw.com) with the subject line: "Saguaro Resources: Written Resolution"; or (b) to Burnet, Duckworth & Palmer LLP at 2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1, Attention: Prateek Gupta by hand, courier or registered mail as soon as possible, and in any event before 5:00 p.m. (Calgary time) on June 3, 2025. In accordance with the Interim Order, only registered Shareholders as of May 9, 2025 (the "**Record Date**") are receiving this Notice of Written Resolution and are entitled to approve the Arrangement by execution of the Written Resolution.

### ***Letter of Transmittal***

We have enclosed a Letter of Transmittal with this Notice of Written Resolution which contains complete instructions on how to deliver your Saguaro Shares and receive the Consideration (as defined in the Arrangement Agreement) payable pursuant to the Arrangement (which is further described under the headings "*Summary of the Arrangement Agreement – Purchase Price and Payment of Consideration Shares*"). Shareholders should complete the accompanying Letter of Transmittal and deliver the completed document to Odyssey Trust Company (the "**Depository**") at Stock Exchange Tower, 1230-300 5<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3C4, Attention: Corporate Actions for first class mail or for hand, courier or registered mail, or by email to [Corp.Actions@OdysseyTrust.com](mailto:Corp.Actions@OdysseyTrust.com) in accordance with the instructions in the Letter of Transmittal to facilitate delivery of the Consideration that will be payable pursuant to the Arrangement.

### ***Additional Information***

#### ***Dissent Rights***

Under the Interim Order, a registered Shareholder who fully complies with the dissent procedures in Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement, (the "**Dissent Rights**") is entitled, if the Arrangement becomes effective, in addition to any other rights the holder may have, to dissent and to be paid by the Purchaser the fair value of the Saguaro Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last business day prior to the date of the final order of the Court of King's Bench of Alberta dated June 5, 2025 (the "**Final Order**"). A registered Shareholder's right to dissent is more particularly described in the Interim Order, which is set forth in Appendix D to this Notice of Written Resolution. **A dissenting Shareholder must send to Saguaro a written objection to the Arrangement Resolution, which written objection must be received by Saguaro, c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Craig O. Alcock, by 5:00 p.m. (Calgary time) on May 29, 2025 (or the business day that is five business days prior to the date of the Final Order if it is not held on June 5, 2025). In accordance with the Interim Order, if you have delivered an executed and irrevocable (subject to the terms therein) Written Resolution evidencing your approval of the Arrangement, you are no longer entitled to exercise rights of dissent in respect of the Arrangement.**

**Shareholders who hold their Saguaro Shares through an intermediary, broker, trustee or who otherwise do not hold their Saguaro Shares in their own name ("Beneficial Shareholders") who wish to dissent should be aware that only the registered owner of such Saguaro Shares is entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise dissent rights must make arrangements for the Saguaro Shares beneficially**

owned by such Beneficial Shareholder to be registered in the name of such Beneficial Shareholder prior to the time written objection to the Arrangement Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Saguaro Shares to dissent on behalf of the Beneficial Shareholder.

It is strongly encouraged that any registered Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the ABCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice such Shareholder's right to dissent. See "*Summary of the Arrangement – Dissent Rights*" in Appendix A attached hereto and paragraphs five to ten of the Interim Order in Appendix D attached hereto for further details on dissent rights.

### ***Final Order***

The application for the Final Order approving the Arrangement is currently scheduled for 10:00 a.m. (Calgary time) on June 5, 2025 via Webex video conference. At the hearing for the Final Order, any Shareholder or any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon Saguaro a Notice of Intention to Appear including an address for service in the Province of Alberta and indicating whether such Shareholder or other interested party intends to support or oppose the application or make submissions thereat, together with a summary of the position that such holder or person intends to advocate before the Court and any evidence or materials which are to be presented to the Court no later than 5:00 p.m. (Calgary time) on May 29, 2025 (or 5:00 p.m. (Calgary time) on the business day that is five business days prior to the date of the Final Order if it is not held on June 5, 2025). Service of such notice shall be effected by service upon the solicitors for Saguaro: Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Craig O. Alcock. A copy of said Final Order will be furnished to any Shareholder requesting the same by the undermentioned solicitors for Saguaro upon written request delivered to such solicitors as follows: Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Craig O. Alcock.

### ***Fairness Opinion***

ATB Securities acted as financial advisor to Saguaro in connection with a review of strategic alternatives and the Arrangement. On May 2, 2025, ATB Securities provided a verbal opinion (the "**Fairness Opinion**") that, as of May 2, 2025, and subject to the assumptions, limitations, qualifications and other matters to be stated in the written Fairness Opinion, the Consideration (as defined in the Arrangement Agreement) to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion is included in Appendix C attached hereto.

### ***Recommendations of the Special Committee and Board of Directors***

In March, 2025, the board of directors of Saguaro (the "**Saguaro Board**") established a Special Committee of the Saguaro Board (the "**Special Committee**") comprised of all of the directors of the Corporation, other than Mr. Knull as the President and Chief Executive Officer of the Corporation. After considering the various factors described in further detail in Appendix A attached hereto under the headings "*Background to and Reasons for the Arrangement*" and "*Factors taken into Consideration by the Saguaro Board*" and based on the Special Committee's consideration of, among other things, the receipt of the Fairness Opinion by the Special Committee and legal and financial advice received, the Special Committee unanimously: (a) determined that the Arrangement is fair to the holders of Saguaro Shares from a financial point of view and in the best interests of the Corporation; and (b) resolved to recommend to the Saguaro Board that the Saguaro Board approve the proposed Arrangement Agreement with the Purchaser and that the Saguaro Board resolve to recommend that Shareholders vote for the Arrangement Resolution by executing the Written Resolution.

After hearing the recommendation of the Special Committee and considering the various factors described in further detail in Appendix A attached hereto under the headings "*Background to and Reasons for the Arrangement*" and "*Factors taken into Consideration by the Saguaro Board*", the Saguaro Board unanimously determined that: (a) the Arrangement is fair to the Shareholders from a financial point of view; and (b) the Arrangement is in the best interests of the Corporation. Further the Saguaro Board unanimously approved the Arrangement, the Arrangement Agreement and the transactions contemplated therein and the entering into the Arrangement Agreement and determined to present

the Arrangement to the Shareholders and recommend that Shareholders vote in favour of the Arrangement by executing the Written Resolution.

We encourage you to support the transaction as we believe that there are a number of benefits anticipated to result from the Arrangement and a number of reasons Saguaro entered into the Arrangement, including but not limited to: (a) the structure of the Arrangement; (b) the consideration and liquidity to be provided to Shareholders under the Arrangement Agreement; (c) the fact that the Consideration was financially superior to any indications of value received in any early stage discussions Saguaro had with other parties; (d) the financial analysis provided by ATB Securities; (e) that Shareholders holding approximately 88.29% of the issued and outstanding Saguaro Shares have executed the Written Resolution and the Support Agreements; (f) the Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Saguaro Board; (g) that the Arrangement provides Shareholders with dissent rights; (h) Saguaro's historical operating results and consideration of Saguaro remaining an independent company and continuing to pursue its strategic plan on a stand-alone basis; (i) the interests of the stakeholders affected by the Arrangement, including minority Shareholders, employees, industry partners, and the environment; (j) the terms of the Arrangement Agreement and the Plan of Arrangement and the fact that such agreements were the result of a comprehensive negotiation process that was undertaken with the oversight and participation of the Saguaro Board, management of Saguaro, and Saguaro's financial advisor and legal counsel; and (k) the likelihood of completion, given the conditions necessary for the completion of the Arrangement.

### ***Questions***

If you have any questions about this Notice of Written Resolution, the Arrangement, the Written Resolution or the Letter of Transmittal, please contact myself, Stacy Knull, President & Chief Executive Officer of Saguaro, at [sknull@saguaroresources.com](mailto:sknull@saguaroresources.com) or Scott Carrothers, Vice President, Finance & Chief Financial Officer of Saguaro, at [scarrothers@saguaroresources.com](mailto:scarrothers@saguaroresources.com).

On behalf of the Saguaro Board and the management team of Saguaro, I would like to express our gratitude for the ongoing support of our Shareholders and would also like to thank our employees who have worked tirelessly building the Corporation.

Yours truly,

(signed) "*Stacy Knull*"

Stacy Knull  
President & Chief Executive Officer of Saguaro

**APPENDIX A****ARRANGEMENT DETAILS**

Capitalized terms used herein that are not defined in this Appendix A have the meanings given to them in the Arrangement Agreement (and/or the Plan of Arrangement appended thereto), a copy of which is attached to this Notice of Written Resolution as Appendix B.

**I. BACKGROUND TO AND REASONS FOR THE ARRANGEMENT****Background to and Reasons for the Arrangement**

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between Saguaro, on the one hand, and the Purchaser, on the other hand, and their respective legal counsel. The following is a summary of the material events, including the meetings, negotiations and discussions among the parties, that preceded the execution of the Arrangement Agreement.

Management of Saguaro and the Saguaro Board regularly consider, monitor and investigate opportunities to provide Shareholders with liquidity and enhance overall Shareholder value. From time to time, these opportunities have included the consideration of potential strategic transactions with various industry participants, including the Purchaser, which management of Saguaro and the Saguaro Board review and consider as they arise to determine whether pursuing them would be in the best interests of Saguaro. Management of Saguaro and the Saguaro Board also regularly review and consider market conditions, including factors that affect the business, operations, financial condition and affairs of Saguaro, including its growth, sustainability and capital availability.

In April 2021, Saguaro sold a 50% working interest in its Laprise assets to the Purchaser, for cash consideration of \$205 million and entered into joint operating arrangements whereby the Purchaser assumed operatorship over the Laprise assets. Saguaro applied a portion of the sale proceeds to the repayment of its credit facilities.

In August 2022, Saguaro and the Purchaser held discussions regarding a potential corporate sale of Saguaro to the Purchaser, with the Purchaser providing Saguaro with a non-binding proposal. The Saguaro Board, after having fully considered and reviewed such proposal, and discussing the same with its financial advisor at the time, concluded that the proposal was not acceptable to Saguaro.

As part of Saguaro's ongoing consideration of potential avenues for providing Shareholders with liquidity and enhancing overall Shareholder value, in December 2022 Saguaro retained ATB Securities as financial advisor to the Corporation. The Saguaro Board regularly received presentations from ATB Securities in respect of the views of ATB Securities regarding capital markets and the oil and gas markets generally, as well as recent oil and gas acquisition and divestiture transactions and business development opportunities for the Corporation generally.

ATB Securities also provided, from time to time, advice and information regarding Saguaro potentially undertaking a strategic transaction, including regarding certain Canadian and international energy merger, acquisition and disposition market information, developing market valuation metrics applicable to Saguaro and providing advice on timing considerations. Periodically during 2023 and 2024 and the first quarter of 2025, Saguaro undertook limited, early stage discussions with certain third parties who had contacted Saguaro respecting Saguaro's potential interest in pursuing a possible material transaction. These discussions did not result in the receipt by Saguaro of any proposals for a transaction that, as determined by the Saguaro Board, warranted further discussions being pursued by Saguaro with any third party. Also during this same time period, Saguaro and the Purchaser had a number of discussions regarding the potential for the parties to pursue a strategic transaction involving Saguaro, with the Purchaser indicating that it would be open to considering a transaction, provided Saguaro wished to pursue such a transaction. To this end, in late February 2025, and with the support of the Saguaro Board, Saguaro's management entered into confidential discussions with the senior management of the Purchaser regarding the Purchaser potentially providing Saguaro with a non-binding proposal for the acquisition of Saguaro. Further to these discussions, on March 7, 2025, Saguaro received a non-binding letter of intent (the "**Asset Purchase Proposal**") from the Purchaser whereby the Purchaser

proposed to acquire all of the assets of Saguario for purchase consideration of \$500 million, subject to customary adjustments, payable through the issuance of Tourmaline common shares ("**Tourmaline Shares**") to Saguario.

At the meeting of the Saguario Board held on March 12, 2025, the Saguario Board discussed the Asset Purchase Proposal, and also reviewed information from ATB Securities regarding potential valuation ranges for Saguario relative to pursuing a potential strategic transaction, along with further information respecting timing considerations for any such transaction. Given Saguario's ongoing business development discussions and given the receipt by Saguario from the Purchaser of the Asset Purchase Proposal, in furtherance of providing Shareholders with liquidity and enhancing Shareholder value, the Saguario Board determined, at the March 12, 2025 meeting, that it was in the best interests of Saguario for it to undertake a confidential formal process to review and evaluate potential strategic alternatives for the purposes of determining if one or more alternatives are available and are in the best interests of Saguario and should be effected for the purpose of enhancing Shareholder value. The Saguario Board established the Special Committee, comprised of all directors other than Mr. Knull, for the purpose of directing and supervising this strategic review process and approved the Mandate and Terms of Reference of the Special Committee. The Special Committee then discussed the Asset Purchase Proposal in further detail, including financial, tax and valuation matters and the likelihood of being able to conclude a strategic transaction with the Purchaser. The Special Committee determined that the Asset Purchase Proposal was *bona fide* and that further discussions with the Purchaser should be pursued respecting a potential strategic transaction between the parties. In particular, the Special Committee concluded that, having regard to all material and relevant considerations, including financial and tax matters, a transaction structure whereby the Purchaser would acquire all of the Saguario Shares would be more favourable to the Shareholders as compared to the acquisition of all of Saguario's assets (as contemplated by the Asset Purchase Proposal). As such, the Special Committee instructed Saguario's management to contact the Purchaser to request that the Purchaser consider making a proposal to acquire all of the Saguario Shares, for consideration of \$500 million, subject to customary purchase price adjustments. Saguario's management communicated this request to the Purchaser immediately following the termination of the March 12, 2025 Saguario Board meeting.

On March 13, 2025, Saguario received from the Purchaser a non-binding letter of intent (the "**LOI**") for the Purchaser to acquire all of the Saguario Shares for consideration of \$500 million payable through the issuance of Tourmaline Shares, subject to adjustments for Saguario's net debt, employee obligations and transaction costs, and also provided for the Purchaser's due diligence requirements and binding confidentiality and exclusivity provisions, which exclusivity provision provided for exclusive negotiations between Saguario and the Purchaser for a 45 day period.

The parties and their respective legal counsel then negotiated the terms of the LOI and on March 19, 2025 the Special Committee and Saguario Board met to review and consider the final form of LOI, including the binding 45 day exclusivity period. As part of its review and discussions, the Special Committee considered that the LOI represented a *bona fide* proposal that was financially superior to any indications of value received in any early stage discussions with other parties, that the LOI provided meaningful liquidity for Shareholders given the consideration was being paid in Tourmaline Shares and given the relatively large volumes of Tourmaline Shares that traded daily on the Toronto Stock Exchange (the "**TSX**"), that the Purchaser had accommodated Saguario's request for a corporate acquisition transaction structure and that the transaction was to proceed by way of a Court of King's Bench approved Plan of Arrangement and would provide for Dissent Rights for Shareholders. After fulsome review and discussion, the Special Committee recommended that the Saguario Board approve the LOI inclusive of the binding 45 day exclusivity period, following which, after a fulsome discussion, the Saguario Board approved the LOI and on March 20, 2025, the LOI was executed by both parties.

Following the execution of the LOI, the Purchaser continued its due diligence review of Saguario and from March 20, 2025 to May 2, 2025 management of Saguario conducted numerous video conference and telephone meetings with Saguario's legal counsel, ATB Securities, the Purchaser's legal counsel and the respective representatives of Saguario and the Purchaser discussed and negotiated the terms of the Arrangement Agreement, Plan of Arrangement, Written Resolution and form of Support Agreement.

Following these discussions and negotiations, on May 2, 2025 the Saguario Board met to consider, among other things, the Arrangement, which included the receipt of a presentation from ATB Securities and advice from external legal counsel regarding the proposed terms and conditions of the Arrangement Agreement. During this meeting, Saguario's management and legal advisors reviewed the material terms of the Arrangement, including the Arrangement

Agreement and the other definitive transaction documents and outstanding matters in respect of the Arrangement, including the terms of the Plan of Arrangement, the Written Resolution and the form of Support Agreement.

ATB Securities provided the Saguaro Board with a detailed financial analysis with respect to the Arrangement and advised the Saguaro Board that based upon and subject to the assumptions, limitations, qualifications and other matters to be stated in its written opinion, that, in the opinion of ATB Securities, the Consideration to be received by the Shareholders under the Arrangement is fair, from a financial point of view, to the Shareholders.

At such May 2, 2025 Saguaro Board meeting, the Special Committee considered various quantitative and qualitative factors related to the Arrangement including, among other things: (a) the structure of the Arrangement; (b) the consideration and liquidity to be provided to Shareholders under the Arrangement Agreement; (c) the fact that the Consideration was financially superior to any indications of value received in any early stage discussions Saguaro had with other parties; (d) the financial analysis provided by ATB Securities; (e) that Shareholders holding approximately 67.25% of the issued and outstanding Saguaro Shares (as of May 2, 2025) had agreed to execute the Written Resolution and Support Agreements; (f) the Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Saguaro Board; (g) that the Arrangement provides Shareholders with Dissent Rights; (h) the risks associated with the completion of the Arrangement; (i) Saguaro's historical operating results and consideration of Saguaro remaining an independent company and continuing to pursue its strategic plan on a stand-alone basis; (j) the interests of the stakeholders affected by the Arrangement, including minority Shareholders, employees, industry partners, and the environment; (k) the terms of the Arrangement Agreement and the Plan of Arrangement and the fact that such documents were the result of a comprehensive negotiation process that was undertaken with the oversight and participation of the Saguaro Board, management of Saguaro, and ATB Securities and legal counsel; (l) the likelihood of completion, given the conditions necessary for the completion of the Arrangement; and (m) other risks and benefits of the Arrangement.

Furthermore, the Special Committee considered the following factors: (a) the Shareholder approval requirements under the Arrangement Agreement, in that the Arrangement must be approved by Shareholders holding not less than two-thirds of the issued and outstanding Saguaro Shares executing the Written Resolution before the Corporation can apply to the Court for an order in respect of the Arrangement; (b) the Arrangement provides for Dissent Rights and an opportunity for Shareholders to appear at the application for the Final Order; and (c) that the Arrangement will only become effective if the Court determines that the Arrangement is fair to Shareholders.

After considering these factors, the financial aspects of the Arrangement and the anticipated effects of the Arrangement on, amongst other Saguaro stakeholders, Shareholders and Saguaro employees and based on the Special Committee's consideration of, among other things, the receipt of the Fairness Opinion by the Special Committee and legal and financial advice received, the Special Committee unanimously: (a) determined that the Arrangement was fair to the holders of Saguaro Shares from a financial point of view and is in the best interests of the Corporation; and (b) resolved to recommend to the Saguaro Board that the Saguaro Board approve the proposed Arrangement Agreement with the Purchaser and that the Saguaro Board resolve to recommend that Shareholders vote for the Arrangement Resolution by executing the Written Resolution.

After hearing the recommendation of the Special Committee and considering the various factors described above, the Saguaro Board unanimously determined that: (a) the Arrangement was fair to the Shareholders from a financial point of view; and (b) the Arrangement is in the best interests of the Corporation. Further the Saguaro Board unanimously approved the Arrangement, the Arrangement Agreement and the transactions contemplated therein and the entering into the Arrangement Agreement and determined to present the Arrangement to the Shareholders and recommend that Shareholders vote in favour of the Arrangement by executing the Written Resolution.

Management of Saguaro were instructed to work with Saguaro's legal counsel to finalize the Arrangement Agreement, Plan of Arrangement, the Written Resolution and all other ancillary agreements.

Following further discussions and negotiations on the remaining non-material terms and conditions of the Arrangement Agreement, the Plan of Arrangement and all other ancillary agreements were finalized and the Arrangement Agreement was executed on May 2, 2025. In addition, Support Agreements from Shareholders holding approximately 67.25% of the outstanding Saguaro Shares were entered into on May 2, 2025.



An additional Support Agreement was entered into on May 5, 2025, such that Support Agreements from Shareholders holding approximately 88.29% of the outstanding Saguaro Shares have been entered into.

On May 9, 2025, the Court granted the Interim Order, which is attached as Appendix D to this Notice of Written Resolution. On May 9, 2025, the Saguaro Board approved the contents and mailing of this Notice of Written Resolution to Shareholders and ratified its recommendation to Shareholders with respect to the Arrangement.

### **Factors taken into Consideration by the Saguaro Board**

Factors taken into consideration by the Saguaro Board in reaching the determination to approve and recommend the Arrangement Resolution included, without limitation:

- (a) *Strategic Alternatives and Business Objectives* – After a comprehensive review of the early stage discussions with certain third parties relative to a possible material transaction with the Corporation and the discussions with the Purchaser regarding a transaction, and the various factors considered in connection with the review of these matters by the Saguaro Board, including the Corporation's historical operating results, remaining an independent company and continuing to pursue the Corporation's strategic plan on a stand-alone basis, and after having had limited early stage discussions with certain other parties potentially interested in pursuing a strategic transaction with Saguaro and that none of these discussions resulted in the receipt by Saguaro of any proposals for a transaction that warranted further discussions being pursued by Saguaro with any third party, there is no better alternative available to the Corporation.
- (b) *Fairness Opinion of ATB Securities* – The Fairness Opinion provided by ATB Securities as to the fairness, from a financial point of view, of the Consideration to be received under the Arrangement by Shareholders pursuant to the Arrangement Agreement, which Fairness Opinion was based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in the Fairness Opinion attached as Appendix C to this Notice of Written Resolution.
- (c) *Liquidity and Certainty Value* – The fact that the Consideration to be received by Shareholders is payable entirely in Tourmaline Shares which actively trade on the TSX and which provides Shareholders with liquidity.
- (d) *Required Shareholder Approval* – The requirement that the Arrangement must be approved by written resolution by at least two-thirds of the Saguaro Shares held by the Shareholders.
- (e) *Arm's Length Comprehensive Negotiation Process* – The fact that the Arrangement Agreement is the result of a comprehensive negotiation process with respect to the key elements of the Arrangement that was undertaken at arm's length, with the oversight of the Corporation's management, the advice of independent legal counsel and ATB Securities, and that it resulted in terms and conditions in the Arrangement Agreement that are reasonable in the judgment of the Saguaro Board.
- (f) *Support of the Arrangement by Supporting Shareholders* – The fact that the Supporting Shareholders and directors and officers collectively holding approximately 67.25% of the outstanding Saguaro Shares (on a non-diluted basis and as of May 2, 2025) have executed irrevocable Support Agreements with the Purchaser to support the Arrangement and delivered executed Written Resolutions in favour of the Arrangement in connection with execution of the Arrangement Agreement.
- (g) *Court Approval* – The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court determines that the Arrangement is fair to the Shareholders.
- (h) *Limited Number of Conditions* – As the Arrangement is subject to a limited number of customary closing conditions, the risks associated with completion are acceptable.

- (i) *Dissent Rights* – The terms of the Arrangement, which provide, among other things, that Shareholders have the right to dissent with respect to the Arrangement and be paid the fair value of their Saguaro Shares.
- (j) *Other Stakeholders* – The impact of the Arrangement on stakeholders, including minority Shareholders, suppliers and other industry partners, the environment and employees.

### **Financial Advisor and Fairness Opinion**

ATB Securities acted as the financial advisor to Saguaro in connection with a review of strategic alternatives and the Arrangement. On May 2, 2025, ATB Securities provided the verbal Fairness Opinion to the Special Committee that, as of May 2, 2025, and subject to the assumptions, limitations, qualifications and other matters stated in the written Fairness Opinion, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Fairness Opinion which sets forth, among other things, the assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken in rendering the Fairness Opinion, is attached as Appendix C to this Notice of Written Resolution. The Fairness Opinion addresses the fairness, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement and does not address any other aspect of the Arrangement or any related transaction, including any legal, tax or regulatory aspects of the Arrangement that may be relevant to Saguaro or the Shareholders. ATB Securities provided the Fairness Opinion to the Saguaro Board for their exclusive use only in consideration of the Arrangement. The Fairness Opinion may not be relied upon by any other person or in any other circumstance. The Fairness Opinion does not address the relative merits of the Arrangement as compared to any other strategic alternatives that may be available to Saguaro. The Fairness Opinion does not constitute a recommendation to any Shareholder or any other securityholder of Saguaro as to how such securityholder should act on any matters relating to the Arrangement, including whether a Shareholder should execute the Written Resolution.

**Shareholders are urged to read the Fairness Opinion in its entirety. This summary of the Fairness Opinion is qualified in its entirety by the full text of such opinion.**

### **Recommendation of the Special Committee**

After considering the various factors described under the headings "*Background to and Reasons for the Arrangement*" and "*Factors taken into Consideration by the Saguaro Board*" and based on the Special Committee's consideration of, among other things, the receipt of the Fairness Opinion by the Special Committee and legal and financial advice received, the Special Committee unanimously: (a) determined that the Arrangement is fair to the holders of Saguaro Shares from a financial point of view and in the best interests of the Corporation; and (b) resolved to recommend to the Saguaro Board that the Saguaro Board approve the proposed Arrangement Agreement with the Purchaser and that the Saguaro Board resolve to recommend that Shareholders vote for the Arrangement Resolution by executing the Written Resolution.

### **Recommendation of the Saguaro Board**

After hearing the recommendation of the Special Committee and considering the various factors described in further detail under the headings "*Background to and Reasons for the Arrangement*" and "*Factors taken into Consideration by the Saguaro Board*", the Saguaro Board unanimously determined that: (a) the Arrangement is fair to the Shareholders from a financial point of view; and (b) the Arrangement is in the best interests of the Corporation. Further the Saguaro Board unanimously approved the Arrangement, the Arrangement Agreement and the transactions contemplated therein and the entering into the Arrangement Agreement and determined to present the Arrangement to the Shareholders and recommend that Shareholders vote in favour of the Arrangement by executing the Written Resolution.

**The Saguaro Board has unanimously approved the Arrangement and unanimously recommends that Shareholders vote their Saguaro Shares in favour of the Arrangement Resolution by executing the Written Resolution.**

Notwithstanding the foregoing recommendation, Shareholders should make their own decision whether to execute the Written Resolution and, if appropriate, should consult their own legal, tax, financial or other professional advisors in making that decision.

The summary of what was considered by the Saguaro Board under the heading "*Background to and Reasons for the Arrangement*" and "*Factors Taken into Consideration by the Saguaro Board*" in this Appendix A is not intended to be exhaustive of all the factors that were considered in arriving at a conclusion and making the above recommendations. Given the numerous factors that were considered in connection with evaluating the Arrangement, it is not practical to quantify or assign relative weight to specific factors relied upon by the Saguaro Board in reaching its conclusions and recommendations. In addition, individual members of the Saguaro Board may have given different weight to different factors. The conclusions and recommendations of the Saguaro Board were arrived at after giving consideration to the totality of the information and factors involved.

## II. SUMMARY OF THE ARRANGEMENT

### Procedural Steps

The Arrangement will be implemented by way of a court approved plan of arrangement under the ABCA pursuant to the terms of the Arrangement Agreement. The following are the remaining procedural steps which must be taken in order for the Arrangement to become effective:

- (a) the Final Order approving the Arrangement must be granted by the Court;
- (b) all conditions precedent to the Arrangement (including receipt of the TSX Approval and the Competition Act Approval), as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate party; and
- (c) the Articles of Arrangement in the form prescribed by the ABCA must be filed with the Registrar of Corporations for the Province of Alberta.

### Plan of Arrangement

The following summarizes the steps which will occur under the Plan of Arrangement commencing at the Effective Time if all conditions to the implementation of the Arrangement have been satisfied or waived. The following description of steps is qualified in its entirety by reference to the full text of the Plan of Arrangement attached as Exhibit "A" to the Arrangement Agreement attached as Appendix B to this Notice of Written Resolution:

- (a) if not otherwise terminated prior to the Effective Time, the Shareholder Agreement shall be terminated in its entirety and shall cease to have any further force or effect;
- (b) the Saguaro Shares held by Dissenting Shareholders shall be and shall be deemed to be, without any further act or formality by or on behalf of the Dissenting Shareholder, transferred to, and acquired by, Tourmaline (free and clear of all encumbrances), and such Dissenting Shareholders shall cease to be the holders of the Saguaro Shares so transferred and to have any rights as Shareholders other than the right to be paid the fair value for such Saguaro Shares as set out in Section 4.1 of the Plan of Arrangement;
- (c) each of the performance share purchase warrants to purchase Saguaro Shares ("**Saguaro Warrants**") outstanding as at the Effective Time (whether vested or unvested), shall, notwithstanding the terms of such Saguaro Warrant, any grant agreements in relation thereto or any employment agreement (or similar agreement) or any resolution of the Saguaro Board (or any committee thereof):
  - (i) be deemed to be unconditionally fully vested and exercisable;
  - (ii) either,

- A. in the case of a Saguaro Warrant that has an Exercise Price that is less than the Saguaro Share Price, be deemed to be exercised pursuant to section 2.2(b) of the applicable Saguaro Warrant certificate and Saguaro shall issue such number of Saguaro Shares (including any fraction of a Saguaro Share) as is equal to:

$$([A - B] / A) - C$$

where

*A* is the Saguaro Share Price;

*B* is the Exercise Price; and

*C* is that number of Saguaro Shares (including any fraction thereof) with an aggregate fair market value equal to the amount of taxes that are required to be withheld and remitted by Saguaro pursuant to Applicable Law and section 2.1 of the applicable Saguaro Warrant certificate, as determined by Saguaro and Tourmaline, acting reasonably, in connection with the exercise of a Saguaro Warrant;

and in connection therewith, the amount of taxes determined for *C* in respect of any holder of Saguaro Warrants shall be remitted by Saguaro to the appropriate Governmental Authority; or

- B. in the case of a Saguaro Warrant that has an Exercise Price that is equal to or greater than the Saguaro Share Price, be cancelled for no consideration;

(iii) the name of the holders of such Saguaro Warrants shall be removed from the register of holders of Saguaro Warrants maintained by or on behalf of Saguaro and shall be added to the register of holders of Saguaro Shares maintained by or on behalf of Saguaro, but the holders of such Saguaro Warrants shall not be entitled to a certificate or other document representing any Saguaro Shares so issued; and

(iv) the Saguaro Warrants and each Saguaro Warrant certificate in relation thereto shall terminate and be of no further force and effect, and neither Saguaro, Tourmaline, nor any of their respective successors or assigns shall have any further liability or obligation with respect thereto; and

- (d) AcquisitionCo (a company to be formed as a wholly-owned subsidiary of Tourmaline prior to the Effective Time) and Saguaro shall be amalgamated and continued as one corporation under the ABCA to form the amalgamated corporation ("**Amalco**"). On the amalgamation (the "**Amalgamation**");

(i) each issued and outstanding Saguaro Share (other than Saguaro Shares held by the Purchaser, but including Saguaro Shares issued pursuant to the Plan of Arrangement in respect of Saguaro Warrants) shall be cancelled without any repayment of capital in respect thereof and in consideration therefor Purchaser shall issue to the Shareholder who held such Saguaro Share that number of fully paid and non-assessable Consideration Shares as is equal to the number of Saguaro Shares held by such Shareholder immediately prior to the Effective Time multiplied by an exchange ratio of 0.0367 Consideration Shares (please note that this exchange ratio is an estimate only and is not final nor definitive, please see "*Summary of the Arrangement Agreement - Purchase Price and Payment of Consideration Shares*" for further details) for each outstanding Saguaro Share (including Saguaro Shares issued on exercise of the Saguaro Warrants) (the "**Exchange Ratio**");

(ii) each issued and outstanding Saguaro Share held by Purchaser shall be cancelled and in consideration therefor Purchaser shall receive one fully paid and non-assessable common share in the capital of Amalco; and

- (iii) each issued and outstanding share in the capital of AcquisitionCo shall be cancelled and in consideration therefor Purchaser shall receive one fully paid and non-assessable common share in the capital of Amalco.

### **Final Order**

The application for the Final Order approving the Arrangement is currently scheduled for 10:00 a.m. (Calgary time) on June 5, 2025 via Webex video conference. At the hearing for the Final Order, any Shareholder or any other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court and serving upon Saguaro a Notice of Intention to Appear including an address for service in the Province of Alberta and indicating whether such Shareholder or other interested party intends to support or oppose the application or make submissions thereat, together with a summary of the position that such holder or person intends to advocate before the Court and any evidence or materials which are to be presented to the Court no later than 5:00 p.m. (Calgary time) on May 29, 2025 (or 5:00 p.m. (Calgary time) on the business day that is five business days prior to the date of the Final Order if it is not held on June 5, 2025). Service of such notice shall be effected by service upon the solicitors for Saguaro: Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Craig O. Alcock. A copy of said Final Order will be furnished to any Shareholder requesting the same by the undermentioned solicitors for Saguaro upon written request delivered to such solicitors as follows: Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Craig O. Alcock.

### **Written Resolution**

Pursuant to the Arrangement Agreement and the ABCA, the Arrangement Resolution must be approved by Shareholders holding not less than two-thirds of the issued and outstanding Saguaro Shares. Pursuant to Section 141(2.1) of the ABCA, a resolution of shareholders of a non-reporting issuer may be passed by way of a resolution in writing signed by the holders of at least two-thirds of the shares entitled to vote on that resolution, in lieu of a meeting of shareholders. As such, Saguaro is seeking approval of the Arrangement Resolution by having Shareholders sign the enclosed Written Resolution in accordance with the instructions set out below. In connection with signing of the Arrangement Agreement, the Written Resolution has been executed by Shareholders holding approximately 88.29% of the Saguaro Shares.

**The Written Resolution is enclosed. We request that you date and execute and return the Written Resolution in connection with the approval of the Arrangement: (a) by email to Burnet, Duckworth & Palmer LLP, at [pgupta@bdplaw.com](mailto:pgupta@bdplaw.com) with the subject line: "Saguaro Resources: Written Resolution"; or (b) to Burnet, Duckworth & Palmer LLP at 2400, 525 - 8th Avenue SW, Calgary, AB T2P 1G1, Attention: Prateek Gupta by hand, courier or registered mail as soon as possible, and in any event before 5:00 p.m. (Calgary time) on June 3, 2025. In accordance with the Interim Order, only registered Shareholders as of the Record Date are receiving this Notice of Written Resolution and are entitled to approve the Arrangement by execution of the Written Resolution.**

A validly executed Written Resolution shall be signed by the registered Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized. The Written Resolution may also be signed in counterpart and each counterpart is to be read as an original document and all such counterparts are to be deemed as representing the same document. Signatures completed and/or delivered by electronic signature or other electronic means, including by DocuSign electronic signature, or by electronic delivery in portable document format (pdf) or tagged image file format (tiff), shall be deemed for all purposes to be original counterparts of the Written Resolution. Any executed Written Resolution that is delivered pursuant to the foregoing instructions that is not dated, will be dated by the Corporation on the date that it is received by the Corporation. Subject to the terms of the Written Resolution, once the Written Resolution is executed and delivered by the Shareholder, such Written Resolution is irrevocable.

### **Dissent Rights**

**The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such holder's Saguaro Shares and is qualified in its entirety by the reference to the full text of the Interim Order, which is**

**attached to this Notice of Written Resolution as Appendix D. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and strictly comply with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement.**

**It is strongly encouraged that any registered Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement, may prejudice such Shareholder's right to dissent. In accordance with the Interim Order, if you have delivered an executed and irrevocable (subject to the terms therein) Written Resolution evidencing your approval of the Arrangement, you are no longer entitled to exercise rights of dissent in respect of the Arrangement.**

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Under the Interim Order, a registered Shareholder who fully complies with the dissent procedures in Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement, is entitled, if the Arrangement becomes effective, in addition to any other rights the holder may have, to dissent and to be paid by Tourmaline the fair value of the Saguaro Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last business day prior to the date of the Final Order. **A registered Shareholder may dissent only with respect to all of the Saguaro Shares held by such holder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Beneficial Shareholders who wish to dissent should be aware that only the registered owner of such Saguaro Shares is entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise Dissent Rights must make arrangements for the Saguaro Shares beneficially owned by such Beneficial Shareholder to be registered in the name of such Beneficial Shareholder prior to the time the written objection to the Arrangement Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered Shareholder to dissent on behalf of the Beneficial Shareholder.**

**A registered Shareholder wishing to exercise Dissent Rights with respect to the Arrangement must send a written objection to the Arrangement Resolution, which written objection must be received by Saguaro, c/o Burnet, Duckworth & Palmer LLP, Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1, Attention: Craig O. Alcock, by 5:00 p.m. (Calgary time) on May 29, 2025 (or the business day that is five business days prior to the date of the Final Order if it is not held on June 5, 2025), and must strictly comply with the dissent procedures described in this Notice of Written Resolution. Abstaining from executing the Written Resolution shall not constitute a written objection to the Arrangement Resolution. None of the following Persons will be entitled to exercise Dissent Rights: (a) Shareholders who have provided the executed Written Resolution in favour of the Arrangement; (b) holders of Saguaro Warrants and Additional Saguaro Warrants; and (c) any other Person who is not a registered Shareholder as of the date of this Written Resolution. A Shareholder may only exercise its Dissent Rights in respect of all, and not less than all of its Saguaro Shares.**

An application may be made to the Court by the Purchaser or by a Dissenting Shareholder after adoption of the Arrangement Resolution to fix the fair value of the Dissenting Shareholder's Saguaro Shares. If such an application to the Court is made by either the Purchaser or a Dissenting Shareholder, the Purchaser must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such Person an amount considered by the Purchaser Board to be the fair value of the Saguaro Shares formerly held by such Dissenting Shareholder. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if the Purchaser is the applicant, or within 10 days after the Purchaser is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with the Purchaser for the purchase of such Dissenting Shareholder's Saguaro Shares in the amount of the Purchaser's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Saguaro Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Saguaro Shares of all Dissenting Shareholders who are parties to the

application, giving judgment in that amount against the Purchaser and in favour of each of those Dissenting Shareholders, and fixing the time within which the Purchaser must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a Shareholder until the date of payment.

After the Effective Date, or upon the making of an agreement between the Purchaser and the Dissenting Shareholder as to the payment to be made by the Purchaser to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Saguaro Shares in the amount agreed to between the Purchaser and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw dissent, or if the Arrangement has not yet become effective the Corporation may rescind the Arrangement Resolution, and, in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

Dissenting Shareholders who duly exercise their Dissent Rights, and who are ultimately entitled to be paid the fair value for their Saguaro Shares, will be deemed to have transferred their Saguaro Shares to the Purchaser as of the Effective Time and without any further act or formality and free and clear of all Encumbrances, to the Purchaser under the Arrangement in exchange for the right to be paid the fair value of their Saguaro Shares. Such Dissenting Shareholders will not be entitled to any other payment or Consideration, including any payment that would be payable under the Arrangement.

Dissenting Shareholders who are ultimately not entitled, for any reason, to be paid the fair value for their Saguaro Shares will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and each such Dissenting Shareholder's Saguaro Shares will be deemed to be transferred to the Purchaser free and clear of all Encumbrances in exchange for the Consideration Shares. Unless otherwise waived by the Purchaser, it is a condition to the obligations of the Purchaser to complete the Arrangement that the aggregate number of Saguaro Shares held, directly or indirectly, by Dissenting Shareholders does not exceed 7.5% of the aggregate number of Saguaro Shares outstanding immediately prior to the Effective Time.

In no circumstances shall Saguaro, the Purchaser or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered Shareholder in respect of which such rights are sought to be exercised. **For greater certainty, holders of Saguaro Warrants shall not be entitled to exercise Dissent Rights in respect of their Saguaro Warrants or Additional Saguaro Warrants, as applicable.**

We urge any Shareholder in considering dissenting to the Arrangement to consult their own tax advisor with respect to the income tax consequences to them of such action. For a general summary of certain Canadian federal income tax implications to a Dissenting Shareholder, see "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Shareholders*" and "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Shareholders*".

**In accordance with the Interim Order, if you have delivered an executed and irrevocable (subject to the terms therein) Written Resolution evidencing your approval of the Arrangement, you are no longer entitled to exercise rights of dissent in respect of the Arrangement.**

### III. SUMMARY OF THE ARRANGEMENT AGREEMENT

**The following is a summary only and reference should be made to the full text of the Arrangement Agreement set forth in Appendix B to this Notice of Written Resolution and the Plan of Arrangement attached as Exhibit "A" to the Arrangement Agreement.**

#### Effective Date

It is currently anticipated that the Effective Date will be on or about June 6, 2025. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be earlier than anticipated or could be

delayed for a number of reasons, including if certain conditions are not satisfied or waived by the Outside Date (being July 31, 2025 or such other date as the Parties may agree in writing).

### **Treatment of Saguaro Warrants**

Pursuant to their terms, each of the outstanding unvested Saguaro Warrants shall have vested effective immediately prior to the time at which the Arrangement becomes effective under the ABCA.

Each holder of Saguaro Warrants will be asked to enter into an agreement with Saguaro and the Purchaser, whereby each such holder shall agree to exercise or surrender all of their Saguaro Warrants (and any Additional Saguaro Warrants (as defined in the Arrangement Agreement) issued to such holder prior to the Effective Time) conditional on the completion of the Arrangement (the "**Saguaro Conditional Exercise and Surrender Agreements**"). The Saguaro Conditional Exercise and Surrender Agreements, once executed, provide for, among other things: (a) the conditional "cashless" exercise of each in-the-money Saguaro Warrant (being a Saguaro Warrant having an exercise price that is less than the Saguaro Share Price (as that term is defined in the Plan of Arrangement)) ("**ITM Saguaro Warrants**") held by the holder; and (b) the conditional surrender of all out-of-the-money Saguaro Warrants (being a Saguaro Warrant having an exercise price that is equal to or greater than the Saguaro Share Price) ("**OTM Saguaro Warrants**") held by the holder to Saguaro for cancellation for no consideration, in each case effective immediately prior to the Effective Time. All Saguaro Warrants not subject to a Saguaro Conditional Exercise and Surrender Agreement or not settled prior to the Effective Time in accordance with the Saguaro Conditional Exercise and Surrender Agreements will be subject to the Plan of Arrangement. Pursuant to the Plan of Arrangement: (i) the ITM Saguaro Warrants will be deemed to be exercised on a "cashless" and equity-settled basis pursuant to their terms at the Effective Time; and (ii) the OTM Saguaro Warrants will be cancelled for no consideration.

As of the date of the Arrangement Agreement, there were 202,597,483 Saguaro Shares and 29,977,000 Saguaro Warrants issued and outstanding. Further and pursuant to the Arrangement Agreement, Saguaro expects to grant a maximum aggregate of 10,542,497 Additional Saguaro Warrants to certain employees and directors of Saguaro prior to the Effective Time. Upon the exercise of all ITM Saguaro Warrants on a "cashless" exercise basis, including all Additional Saguaro Warrants expected to be issued and that are expected to be ITM Saguaro Warrants, and based on the Estimated Net Debt as of June 6, 2025 and anticipated Purchase Price discussed below and inclusive of estimated adjustments for applicable withholding taxes, an additional 8,407,666 Saguaro Shares are expected to be issued, which Saguaro Shares will thereafter be subject to the Plan of Arrangement in the same manner as all currently issued and outstanding Saguaro Shares.

### **Purchase Price and Payment of Consideration Shares**

If the Arrangement is completed, Shareholders (other than Shareholders who exercise Dissent Rights in respect of the Arrangement and including Saguaro Shares issued on exercise or surrender of Saguaro Warrants) will receive from the Purchaser such Shareholder's *pro rata* share of Tourmaline Shares valued at \$500,000,000 (the "**Base Purchase Price**"), which Base Purchase Price shall be decreased, on a dollar for dollar basis, by the amount (if any) by which the Net Debt on completion of the Arrangement ("**Closing**") is greater than zero. The number of Consideration Shares will be determined by dividing the Purchase Price by the volume-weighted average trading price ("**VWAP**") of the Tourmaline Shares on the TSX for the 15 trading day period ending on (and including) the date which is the sixth business day immediately prior to Closing.

It is currently estimated that the Net Debt as of June 6, 2025, which is the anticipated date of Closing, will be \$20,000,000, which Net Debt, as defined in the Arrangement Agreement, includes, in addition to amounts outstanding under Saguaro's credit facility and any working capital deficit, all severance amounts payable to Saguaro personnel whose service with Saguaro is terminated at the Effective Time, bonus amounts payable pursuant to Saguaro's Retention Bonus Plan and all transactions costs incurred by Saguaro in respect of the Arrangement. As such, the anticipated Purchase Price is estimated as \$480,000,000. Based on an anticipated VWAP of the Tourmaline Shares of \$61.9743 (calculated on the 15 trading day period ending on May 8, 2025), and the foregoing Net Debt and Purchase Price estimates, the anticipated number of Consideration Shares issuable on Closing will be 7,745,146 Consideration Shares. Assuming the number of Additional Saguaro Warrants discussed above are issued, all the ITM Saguaro Warrants (including all Additional Saguaro Warrants to be issued that are expected to be ITM Saguaro Warrants) are exercised on a cashless exercise basis for Saguaro Shares, all as described above, and all OTM Saguaro Warrants are



surrendered for no consideration, the foregoing results in an Exchange Ratio of 0.0367 Consideration Shares for each outstanding Saguaro Share (including Saguaro Shares issued on exercise or deemed exercise of the ITM Saguaro Warrants).

**The foregoing information respecting Saguaro's Net Debt, anticipated Purchase Price, number of Consideration Shares and Exchange Ratio, number of Additional Saguaro Warrants to be issued, number of outstanding Saguaro Warrants and the number of Saguaro Shares that may be issuable on the cashless exercise of all ITM Saguaro Warrants are estimates only and are provided solely for illustrative purposes, and are subject to change, and as such are not, and should not be relied on as being, final or definitive.**

### **Representations and Warranties**

The Arrangement Agreement contains certain representations and warranties of Saguaro relating to the following: organization and qualification; authority relative to the Arrangement Agreement; subsidiaries; no restrictions; no violations; litigation; Taxes; reporting issuer status; capitalization; equity monetization plans; no orders; Saguaro Financial Statements; books and records; absence of certain changes or events; registration, exemption orders, licenses; etc.; compliance with laws; restrictions on business activities; non-arm's length transactions; title; Saguaro Reserves Report; Transaction Costs, Employee Obligations and Net Debt; absence of undisclosed liabilities; no defaults; bankruptcy; pre-emptive rights; environmental; Saguaro Material Contracts; employee benefit plans; employees and independent contractors; employment agreements; brokers and finders; fairness opinion; rights plans; insurance; Saguaro Board approval; compliance with anti-corruption legislation; money laundering, anti-corruption and modern slavery laws; whistleblower reporting; sanctions; confidentiality agreement; off-balance sheet arrangements; swaps; arrangements in respect of outstanding securities; operational matters; no guarantees; debt service reserve account; areas of mutual interest, exclusion and dedication; investment company; U.S. Exchange Act; Hart-Scott-Rodino Act; Indigenous Groups; and no withholding. The representations and warranties of Saguaro contained in the Arrangement Agreement shall not survive the consummation of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

The Arrangement Agreement also contains certain representations and warranties of Tourmaline relating to the following: organization and qualification; authority relative to the Arrangement Agreement; no violations; Tourmaline Shares; litigation; Taxes; compliance with laws; no defaults; Investment Canada Act; reporting issuer status; no orders; Purchaser Financial Statements; absence of certain changes or events; absence of undisclosed liabilities; foreign private issuer; investment company; compliance with anti-corruption legislation; money laundering, anti-corruption and modern slavery laws; sanctions; U.S. Exchange Act; and Hart-Scott-Rodino Act. The representations and warranties of Tourmaline contained in the Arrangement Agreement shall not survive the consummation of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which the Arrangement Agreement is terminated in accordance with its terms.

The enclosed Letter of Transmittal also contains representations and warranties of the Shareholders, including, but not limited to ownership of and title to the Saguaro Shares, that the Saguaro Shares are free and clear of all encumbrances, and power and authority to execute and deliver the Letter of Transmittal and to deposit, sell, assign, transfer and deliver the Saguaro Shares to Tourmaline.

### **Covenants**

#### ***Covenants of Saguaro***

Pursuant to the Arrangement Agreement, Saguaro has agreed to comply with various covenants from the date of the Arrangement Agreement until the Effective Date (or until the Arrangement Agreement is terminated). Please refer to Section 3.1 of the Arrangement Agreement for the specific covenants of Saguaro.

### ***Covenants of Tourmaline***

Pursuant to the Arrangement Agreement, Tourmaline has agreed to comply with various covenants from the date of the Arrangement Agreement until the Effective Date (or until the Arrangement Agreement is terminated). Please refer to Section 3.2 of the Arrangement Agreement for the specific covenants of Tourmaline.

### ***Mutual Covenants Regarding the Arrangement***

Pursuant to the Arrangement Agreement, from the date of the Arrangement Agreement until the Effective Date or the termination of the Arrangement Agreement, each of Saguaro and Tourmaline will use all commercially reasonable efforts to: (a) satisfy (or cause the satisfaction of) the conditions precedent to its obligations under the Arrangement Agreement; (b) not take, or cause to be taken, any action or cause anything to be done that would cause such obligations not to be fulfilled in a timely manner; and (c) take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement as further detailed in the Arrangement Agreement.

Further, pursuant to the Arrangement Agreement Tourmaline has agreed to, with the assistance of and in consultation with Saguaro, prepare and file with the Commissioner a request for an ARC or, in the alternative, a No Action Letter, in respect of the transactions contemplated by the Arrangement Agreement, and upon written request by Saguaro or Tourmaline, acting reasonably, each of Saguaro and Tourmaline have agreed to file with the Commissioner a notification under Part IX of the Competition Act within ten Business Days following receipt of such request, as more particularly described in Section 3.3(b) of the Arrangement Agreement.

### ***Covenants Regarding Non-Solicitation***

Pursuant to the Arrangement Agreement, Saguaro has provided certain non-solicitation covenants in favour of Tourmaline, including, without limitation, the following:

- (a) Saguaro shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any Representatives or other parties retained by Saguaro on its behalf), with any parties (other than Tourmaline) with respect to any proposal that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal.
- (b) Saguaro shall not, directly or indirectly, do or authorize or permit any of its officers, directors or any financial advisor or other Representative retained by it to:
  - (i) solicit, assist, initiate, encourage or in any way knowingly facilitate (including by way of furnishing information, or access to properties, facilities or books and records), the making of any proposal or offer that constitutes or may constitute, or may reasonably be expected to lead to, an Acquisition Proposal or inquiries, proposals or offers regarding an Acquisition Proposal;
  - (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish or provide to any other Person any information, including with respect to its businesses, properties, assets, securities, liabilities, operations, prospects or condition (financial or otherwise), in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;
  - (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements relating to an Acquisition Proposal, including, without limitation any "standstill" or similar provision thereunder;

- (iv) accept, recommend, approve, agree to enter into or endorse, or propose publicly to accept, recommend, approve, agree to enter into or endorse, any Acquisition Proposal or agreement, understanding or arrangement in relation thereto; or
  - (v) withdraw, amend, modify or qualify, or propose to withdraw, amend, modify or qualify, in any manner adverse to Tourmaline, the approvals, determinations and recommendations of the Saguaro Board as required under Section 2.6 of the Arrangement Agreement.
- (c) Saguaro shall promptly (and in any event within 24 hours of the receipt thereof) notify the Purchaser of any Acquisition Proposal that is, in the reasonable opinion of the Saguaro Board, *bona fide* in all material respects (or any amendment thereto) or any request for non-public information relating to Saguaro or its assets in connection with an Acquisition Proposal that is, in the reasonable opinion of the Saguaro Board, *bona fide* in all material respects, or any amendments to the foregoing. Such notice shall include a copy of any written Acquisition Proposal (and any amendment thereto) which has been received or, if no written Acquisition Proposal has been received, a description of the material terms and conditions of, and the identity of the Person making, any inquiry, proposal, offer or request. Saguaro shall keep the Purchaser promptly and fully informed of each change in the proposed consideration to be offered pursuant to such Acquisition Proposal and of each material change in any of the terms of such Acquisition Proposal and shall provide to the Purchaser copies of all correspondence with the Person making such Acquisition Proposal, with respect to such Acquisition Proposal or proposal, inquiry, offer or request if in writing or in electronic form, and if not in writing or in electronic form, a description of the terms of such correspondence. The Purchaser agrees that the making of any of the foregoing disclosures by Saguaro to the Purchaser shall not constitute a breach or violation by Saguaro in any form or of any type whatsoever of any representation, warranty, covenant, term or condition hereunder.
- (d) Notwithstanding any of the foregoing covenants regarding non-solicitation, if at any time following the date of the Arrangement Agreement, provided that Saguaro is then in compliance with all of its obligations under the Arrangement Agreement, Saguaro receives a *bona fide* unsolicited written Acquisition Proposal that is a Superior Proposal, then the Saguaro Board may:
- (i) advise the Shareholders of the receipt by Saguaro of any such Superior Proposal and all material terms and conditions thereof;
  - (ii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Tourmaline the determination of the Saguaro Board set out in Section 2.6(a)(i) of the Arrangement Agreement; or
  - (iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Tourmaline, the recommendation of the Saguaro Board or any relevant committee thereof of the Arrangement Agreement or the Arrangement set out in Section 2.6(a)(ii) of the Arrangement Agreement.
- provided that in no circumstances is Saguaro permitted or able to enter into any agreement with any Person relating to any Acquisition Proposal and including an Acquisition Proposal that is a Superior Proposal.
- (e) Saguaro shall ensure that its Representatives retained by it are aware of the non-solicitation provisions of the Arrangement Agreement and shall be responsible for any breach of the non-solicitation provisions of the Arrangement Agreement by any of them.

## Conditions to Closing

### *Mutual Conditions Precedent*

Under the terms of the Arrangement Agreement, the Parties agreed that the respective obligations of the Parties to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, are

subject to the satisfaction, on or before to the Effective Date or such other time specified, of a number of customary conditions. Please refer to Section 5.1 of the Arrangement Agreement for the specific mutual conditions precedent.

#### ***Conditions to the Obligations of Tourmaline***

The obligation of Tourmaline to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, is subject to a number of customary conditions, which, for clarity, are for the exclusive benefit of Tourmaline and may be asserted by Tourmaline regardless of the circumstances or may be waived by Tourmaline in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Tourmaline may have. Please refer to Section 5.3 of the Arrangement Agreement for the specific conditions to the obligations of Tourmaline.

#### ***Conditions to the Obligations of Saguaro***

The obligation of Saguaro to consummate the transactions contemplated by the Arrangement Agreement, and in particular the Arrangement, is subject to a number of customary conditions, which, for clarity, are for the exclusive benefit of Saguaro and may be asserted by Saguaro regardless of the circumstances or may be waived by Saguaro in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Saguaro may have. Please refer to Section 5.2 of the Arrangement Agreement for the specific conditions to the obligations of Saguaro.

#### ***Notice and Effect of Failure to Comply with Conditions***

Each of Saguaro and Tourmaline shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date of the Arrangement Agreement to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (a) cause any of the representations or warranties of such Party contained in the Arrangement Agreement to be untrue or inaccurate in any material respect; or (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party under the Arrangement Agreement; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties under the Arrangement Agreement.

Saguaro or Tourmaline may not elect to exercise its right to terminate the Arrangement Agreement pursuant to Section 8.1(a)(ii), 8.1(a)(iii) or 8.1(a)(iv) of the Arrangement Agreement, unless the Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the Other Party (the "**Breaching Party**") specifying in reasonable detail all breach of covenants, representations and warranties or the failure of a condition in favour of the Terminating Party to be satisfied or any other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (i) the Outside Date, and (ii) the date that is seven Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date.

#### **Tax Withholdings**

Pursuant to the Arrangement Agreement, Saguaro and Tourmaline shall be entitled to deduct and withhold from any consideration otherwise payable to any Shareholder (or holder of Saguaro Warrants) under the Plan of Arrangement, such amounts as Saguaro or Tourmaline is required or reasonably believes to be required to deduct and withhold from such consideration in accordance with applicable tax laws. Any such amounts will be deducted and withheld from the Consideration payable pursuant to the Plan of Arrangement or any agreement governing the exercise, of the Saguaro Warrants and shall be treated for all purposes as having been paid to the Shareholder or holder of Saguaro Warrants in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority. Please refer to "*Certain Canadian Federal Income Tax Considerations*" set out herein and also refer to the Arrangement Agreement enclosed herewith.

### Tourmaline Damages

If at any time after the execution of the Arrangement Agreement and prior to the earlier of its termination or the Effective Date:

- (a) Saguaro is in breach of any of the Fundamental Representations of Saguaro (other than inaccuracies which are *de minimis* in nature) or any of its covenants made in the Arrangement Agreement, in each case which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on Saguaro, or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Saguaro fails to cure such breach within seven Business Days after receipt of written notice thereof from Tourmaline (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Purchaser Damages Event**"), then in the event of the termination of the Arrangement Agreement pursuant to Section 8.1(a)(iii) of the Arrangement Agreement, Saguaro shall pay to Tourmaline (or to whom Tourmaline may direct in writing) \$25,000,000 (the "**Purchaser Termination Fee**") as consideration of Tourmaline disposing of its rights hereunder in immediately available funds to an account designated by Tourmaline within three Business Days after the first to occur of the events described above; or
- (b) Saguaro is in breach of any of its representations and warranties made in the Arrangement Agreement other than the Fundamental Representations of Saguaro which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Saguaro (without giving effect to any materiality qualifiers contained therein), or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Saguaro fails to cure such breach within seven Business Days after receipt of written notice thereof from Tourmaline (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Purchaser Reimbursement Event**"), then in the event of the termination of the Arrangement Agreement pursuant to Section 8.1(a)(iii) of the Arrangement Agreement, Saguaro shall pay to Tourmaline (or to whom Tourmaline may direct in writing) \$3,000,000 (the "**Purchaser Expense Reimbursement**") as reimbursement to Tourmaline of its out of pocket expenses incurred in connection with the Arrangement in immediately available funds to an account designated by Tourmaline within three Business Days after the first to occur of the events described above.

### Saguaro Damages

If at any time after the execution of the Arrangement Agreement and prior to the earlier of its termination or the Effective Date:

- (a) Tourmaline is in breach of any of the Fundamental Representations of Purchaser (other than inaccuracies which are *de minimis* in nature) or any of its covenants made in the Arrangement Agreement which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on Tourmaline, or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Tourmaline fails to cure such breach within seven Business Days after receipt of written notice thereof from Saguaro (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Saguaro Damages Event**"), then in the event of the termination of the Arrangement Agreement pursuant to Section 8.1(a)(iv) of the Arrangement Agreement, Tourmaline shall pay to Saguaro (or to whom Saguaro may direct in writing) \$25,000,000 as consideration of Saguaro disposing of its rights hereunder in immediately available funds to an account designated by Saguaro within three Business Days after the first to occur of the events described above; or
- (b) Tourmaline is in breach of any of its representations and warranties made in the Arrangement Agreement other than the Fundamental Representations of Purchaser which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, the Purchaser (without giving effect to any materiality qualifiers contained therein), or materially impedes or would reasonably be expected to materially impede the completion of the

Arrangement, and the Purchaser fails to cure such breach within seven Business Days after receipt of written notice thereof from Saguaro (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Saguaro Reimbursement Event**"), then in the event of the termination of the Arrangement Agreement pursuant to Section 8.1(a)(iv), Tourmaline shall pay to Saguaro \$3,000,000 as reimbursement to Saguaro of its out of pocket expenses incurred in connection with the Arrangement Agreement in immediately available funds to an account designated by Saguaro within three Business Days after the first to occur of the events described above.

#### **Termination of the Arrangement Agreement**

The Arrangement Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written consent of Saguaro and Tourmaline;
- (b) as provided in Sections 5.1, 5.2, 5.3 and 5.4 of the Arrangement Agreement in connection with such conditions not being satisfied or waived before the Outside Date;
- (c) by Tourmaline upon the occurrence of a Purchaser Damages Event or a Purchaser Reimbursement Event;
- (d) by Saguaro upon the occurrence of a Saguaro Damages Event or a Saguaro Reimbursement Event;
- (e) by either Tourmaline or Saguaro, if the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate the Arrangement Agreement shall not be available to any Party if the failure of the Effective Time to occur by the Outside Date has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or
- (f) by either Tourmaline or Saguaro, if after the date of the Arrangement Agreement, any law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins Saguaro or Tourmaline from consummating the Arrangement, provided that the enactment, making, enforcement or amendment of such law was not primarily due to a result of a breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements, under the Arrangement Agreement.

If the Arrangement Agreement is terminated in accordance with any of the foregoing, the Arrangement Agreement shall forthwith become void and neither Party shall have any liability or further obligation to and of the Other Party except as provided in the Arrangement Agreement. The termination of the Arrangement Agreement shall not relieve either Party from any liability for any breach by it of the Arrangement Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made in the Arrangement Agreement, prior to the date of such termination.

#### **IV. PAYMENT OF CONSIDERATION**

The Depositary shall (as soon as is practicable but in any event not later than the date that is three Business Days following the later of the Effective Date and the date of deposit by a former Shareholder of a duly completed and executed Letter of Transmittal, together with the share certificates, if applicable, representing the Shareholder's Saguaro Shares and such other documents and instruments as the Depositary may reasonably require), cause a DRS Advice to be delivered to Shareholders.

If any certificate representing Saguaro Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost stolen or destroyed certificate the Consideration to which the holder is entitled pursuant to the Plan of Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The person who is entitled to receive such Consideration shall, as a condition

precedent to the receipt thereof, give an open penalty lost securities bond to Saguaro, Tourmaline and the Depositary, which bond is in form and substance satisfactory to Tourmaline and Saguaro or shall otherwise indemnify Tourmaline, Saguaro and the Depositary against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed, as provided in further detail in the instructions to the Letter of Transmittal.

Any certificate formerly representing Saguaro Shares that is not deposited with all other documents as required by the Plan of Arrangement and the Letter of Transmittal on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, including the right of the holder of such Saguaro Shares to receive the Consideration Shares that the holder is entitled pursuant to the Plan of Arrangement. In such case, the Consideration Shares that the holder is entitled to receive pursuant to the Plan of Arrangement shall be returned by the Depositary to Tourmaline for cancellation.

## V. INFORMATION ON TOURMALINE

Tourmaline is Canada's largest and most active natural gas producer dedicated to producing the lowest development-cost natural gas in North America. Tourmaline is an investment grade exploration and production company providing strong and predictable operating and financial performance through the development of its three core areas in the Western Canadian Sedimentary Basin. With its existing large reserve base, decades-long drilling inventory, relentless focus on execution, cost management, and environmental performance improvement, Tourmaline provides shareholders an excellent return on capital, and an attractive source of income through its base dividend and surplus free cash flow distribution strategies.

The Tourmaline Shares are listed for trading on the TSX under the symbol "TOU". On May 7, 2025, the last full trading day prior to the public announcement of the Arrangement, the closing price per share of Tourmaline Shares on the TSX was \$63.68.

Tourmaline is a reporting issuer or the equivalent in all of the provinces of Canada. The head and principal office of Tourmaline is located at 2900, 250 – 6<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3H7.

For further information regarding Tourmaline, its business activities, its share capital and the historical quarterly base and special dividends paid by Tourmaline see the Tourmaline's Annual Information Form dated March 5, 2025 (the "**Tourmaline AIF**"), which is available under Tourmaline's SEDAR+ issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca). Readers are encouraged to review the Tourmaline AIF as it contains important information about Tourmaline.

An investment in the securities of Tourmaline is subject to certain risks. You should carefully review and consider all other information contained in this Notice of Written Resolution, including the matters discussed under the heading "*Risk Factors*". In addition, you should carefully consider the risk factors described under the heading "*Risk Factors*" in the Tourmaline AIF. All information on Tourmaline's business should be viewed in light of these risk factors. If any of the identified risks were to materialize, Tourmaline's business, financial position, results and/or future operations may be materially affected.

## VI. RISK FACTORS

Shareholders should consider the risk factors set out herein related specifically to the Arrangement.

***The estimated Consideration payable to Shareholders under the Arrangement will vary.***

The estimated Consideration to be paid to Shareholders under the Arrangement set forth herein will vary depending on a number of factors, including potential adjustments in connection with the Net Debt. The calculations contained in this Notice of Written Resolution of the aggregate Consideration to be received by Shareholders pursuant to the Arrangement are based on certain assumptions and are being provided for illustrative purposes only. **There can be no certainty, nor can Saguaro provide any assurance, that the aggregate Consideration to be received by Shareholders will correspond precisely to the amounts indicated in this Notice of Written Resolution.**

***Conditions precedent and receipt of required approvals.***

There can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Corporation, including approval from the Court and receipt of the TSX Approval and the Competition Act Approval. There is no certainty, nor can the Corporation provide any assurance, that these conditions will be satisfied. If, for any reason, the Arrangement is not completed, the value of the Corporation and its issued and outstanding securities may be adversely affected. Moreover, a substantial delay in obtaining satisfactory approvals could adversely affect the business, financial condition or results of operations of the Corporation or result in the Arrangement not being completed.

***The Arrangement may not be completed in the event that, among other things, on or after the date the Arrangement Agreement was entered into, a Material Adverse Change occurs.***

The completion of the Arrangement is subject to the condition that, among other things, there shall not have occurred a Material Adverse Change. Although such Material Adverse Change excludes certain events, including events in some cases that are beyond the control of the Corporation, there can be no assurance that a Material Adverse Change will not occur prior to the Effective Date. If such a Material Adverse Change occurs, the Arrangement may not proceed.

***Termination of the Arrangement Agreement in certain circumstances.***

The Arrangement Agreement may be terminated by the Parties thereto in certain circumstances. Accordingly, there is no certainty, nor can Saguaro provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Arrangement. Failure to complete the Arrangement could materially negatively impact the value of Saguaro and its issued and outstanding securities. Moreover, if the Arrangement Agreement is terminated, there is no assurance that the Saguaro Board will be able to find a party willing to pay an equivalent or a more attractive price for the Saguaro Shares than the Consideration to be paid pursuant to the terms of the Arrangement Agreement.

***The Corporation will incur costs even if the Arrangement is not completed.***

Certain significant costs of the Corporation related to the Arrangement, such as legal and financial advisor fees, must be paid by the Corporation even if the Arrangement is not completed. Additionally, if the Arrangement is not completed, the Corporation may be required, in certain circumstances, to pay the Purchaser Termination Fee or the Purchaser Expense Reimbursement. If the Arrangement is not completed, payment of these amounts could have a material adverse effect on the Corporation's financial condition.

***If the Arrangement is not completed, the Corporation's future business and operations could be materially adversely affected.***

If the Arrangement is not completed, the Corporation may be subject to a number of additional material risks, including the following:

- (a) the Corporation may have lost other opportunities that would have otherwise been available had the Arrangement Agreement not been entered into, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Arrangement Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business; and
- (b) the Corporation may be unable to conclude another sale, merger or amalgamation on as favourable terms, in a timely manner, or at all.

***If the Arrangement is not consummated by the Outside Date, either the Corporation or the Purchaser may choose not to proceed with the Arrangement.***

Either the Corporation or the Purchaser may terminate the Arrangement Agreement if the Arrangement has not been



completed by the Outside Date and the Parties do not mutually agree to extend the Arrangement Agreement.

***The Written Resolution is irrevocable.***

Once the Written Resolution is executed by a Shareholder, such Written Resolution is irrevocable (other than in accordance with its terms).

***Future dividends on Tourmaline Shares are uncertain.***

There can be no assurance that Tourmaline will continue to pay dividends to its shareholders in the future or that the level of any future dividends will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect the market price of Tourmaline Shares.

***Saguaro directors, officers and other insiders may have interests in the Arrangement different from the interests of Shareholders.***

The Saguaro Board, executive officers and significant shareholders may have interests in the Arrangement that are different from, or in addition to, those of other Shareholders generally. The Saguaro Board was aware of, and considered, these interests when they determined that the Arrangement Agreement is in the best interests of Saguaro and unanimously determined to recommend that Shareholders approve the Arrangement Resolution by executing the Written Resolution.

***While the Arrangement is pending, Saguaro is restricted from taking certain actions.***

The Arrangement Agreement restricts Saguaro from taking specified actions until the Arrangement is completed, without the consent of Tourmaline. These restrictions may prevent Saguaro from pursuing attractive business opportunities that may arise prior to completion of the Arrangement.

***The Arrangement may not be completed if a number of Shareholders exercise Dissent Rights.***

Shareholders have the right to exercise Dissent Rights and demand payment of the fair value of their Saguaro Shares in cash in connection with the Arrangement in accordance with the ABCA as modified by the Interim Order and the Plan of Arrangement. If Shareholders holding more than 7.5% of the outstanding Saguaro Shares exercise Dissent Rights, the Purchaser may elect not to complete the Arrangement. Further, in accordance with the Interim Order, if a Shareholder has delivered an executed and irrevocable (subject to the terms therein) Written Resolution evidencing their approval of the Arrangement, they are no longer entitled to exercise rights of dissent in respect of the Arrangement.

***Forward-looking information may prove inaccurate.***

Shareholders are cautioned not to place undue reliance on the forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

## **VII. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) and regulations thereunder (together, the "**Tax Act**") to a beneficial owner of Saguaro Shares who disposes of Saguaro Shares pursuant to the Arrangement and who, for purposes of the Tax Act and at all relevant times: (i) holds such Saguaro Shares and Tourmaline Shares as capital property; and (ii) deals at arm's length and is not affiliated with Saguaro, AcquisitionCo or Tourmaline (a "**Holder**"). The Saguaro Shares and Tourmaline Shares will generally be considered capital property to a holder for purposes of

the Tax Act provided the holder does not use or hold such shares in the course of carrying on a business and has not acquired such shares in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market property" rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) an interest in which is a "tax shelter investment" as defined in the Tax Act; (iv) that has elected to determine its "Canadian tax results" in a currency other than Canadian currency pursuant to the "functional currency reporting" rules in the Tax Act; (v) that has entered into, or will enter into, a "derivative forward agreement" or "synthetic disposition arrangement", as defined in the Tax Act, in respect of Saguaro Shares or the Tourmaline Shares; (vi) that is a foreign affiliate of a taxpayer resident in Canada; (vii) that is exempt from tax under Part I of the Tax Act; or (viii) that is a partnership. Such Holders should consult their own tax advisors with respect to the income tax consequences applicable to the Arrangement.

**This summary does not address all tax considerations applicable to Holders who acquired Saguaro Shares on the exercise or settlement of equity compensation plans or arrangements, such as pursuant to Saguaro Warrants or Additional Saguaro Warrants. Such Holders should consult their own tax advisors with respect to the income tax consequences applicable to the Arrangement.**

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, counsel's understanding of the current published administrative policies of the Canada Revenue Agency (the "CRA") and all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). This summary assumes that the Tax Proposals will be enacted substantially as proposed; however, no assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or the CRA's assessing practice, whether by legislative, governmental or judicial decision or action, nor does it take into account other federal tax considerations or any provincial, territorial or foreign income tax legislation or considerations.

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of securities (including dividends, adjusted cost base and proceeds of disposition) must be expressed in Canadian dollars and amounts denominated in foreign currency must generally be converted to Canadian dollars, using the applicable exchange rates (for purposes of the Tax Act) quoted by the Bank of Canada on the date such amount arose, or such other rate of exchange as is acceptable to the CRA.

**This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, tax, or business advice to any particular Shareholder. Consequently, Shareholders should consult their own tax advisors regarding the tax consequences applicable to them in their particular circumstances.**

**This Notice of Written Resolution does not contain a summary of the non-Canadian income tax considerations of the Arrangement for Shareholders who are subject to income tax outside of Canada. Such holders should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated implications and/or filing requirements in such jurisdictions.**

#### **Holders Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention or treaty, is, or is deemed to be, resident in Canada (a "**Resident Holder**").

#### ***Amalgamation of Saguaro and AcquisitionCo***

Pursuant to the Arrangement, Saguaro and AcquisitionCo will amalgamate and Resident Holders who receive no consideration other than Tourmaline Shares will be deemed to dispose of their Saguaro Shares for an amount equal to the aggregate cost base of such Saguaro Shares immediately before the Amalgamation (taking into account any previous returns of capital). As a result, no capital gain or capital loss will generally arise for a Resident Holder on the

Amalgamation. Such Resident Holders will be deemed to acquire the Tourmaline Shares at a cost equal to those deemed proceeds of disposition.

Under the Tax Act, the cost of the Tourmaline Shares received by a Resident Holder in exchange for Saguaro Shares will generally be averaged with the adjusted cost base of all Tourmaline Shares held by the Resident Holder, including any Tourmaline Shares owned by such Resident Holder prior to the Arrangement as capital property, to determine the adjusted cost base of each such Tourmaline Share for income tax purposes. The cost base will be used to determine the capital gain or capital loss on a future disposition of Tourmaline Shares, as discussed below under "*Taxation of Capital Gains and Capital Losses*".

### ***Receipt of Dividends on Tourmaline Shares***

A Resident Holder generally will be required to include in computing its income for a taxation year any dividends received or deemed to be received on such Resident Holder's Tourmaline Shares during such taxation year.

In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules generally applicable to "taxable dividends" received from "taxable Canadian corporations" (as defined in the Tax Act). Such dividends will be eligible for the enhanced gross-up and dividend tax credit if, and to the extent, Tourmaline properly designates any portion of a particular dividend to be an "eligible dividend" in accordance with the Tax Act. There may be limitations on the ability of Tourmaline to designate dividends as eligible dividends.

In the case of a Resident Holder that is a corporation, the amount of any taxable dividend received or deemed to be received on such Resident Holder's Tourmaline Shares, as applicable, and included in the Resident Holder's income for the taxation year generally will be deductible in computing the Resident Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act may deem a taxable dividend received by a Resident Holder that is a corporation to be proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" (as defined in the Tax Act) or a "subject corporation" (as defined in the Tax Act), may be liable under Part IV of the Tax Act to pay an additional tax (refundable in certain circumstances) on dividends received or deemed to be received on the Tourmaline Shares, as applicable, to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

### ***Disposition of Tourmaline Shares***

A Resident Holder who disposes, or is deemed to dispose, of a Tourmaline Share following the completion of the Arrangement (other than upon a disposition to Tourmaline that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such share to the Resident Holder of the Tourmaline Share immediately before the disposition. See "*Taxation of Capital Gains and Capital Losses*" below for a general description of the treatment of capital gains and capital losses under the Tax Act.

### ***Taxation of Capital Gains and Capital Losses***

Generally, a Resident Holder will be required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized in that year. A Resident Holder will generally be required to deduct one half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that taxation year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to the detailed rules contained in the Tax Act.

The amount of any capital loss realized on the disposition of Tourmaline Shares by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by such Resident Holder on such shares (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own advisors.

Capital gains realized by a Resident Holder that is an individual (other than certain trusts) may increase such Resident Holder's liability for alternative minimum tax. Resident Holders should consult their own tax advisors in this regard.

### ***Additional Refundable Tax***

A Resident Holder (including a Resident Dissenter, as defined below) that is throughout the year a "Canadian-controlled private corporation" or a "substantive CCPC" (each as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on certain investment income, which includes taxable capital gains, dividends or deemed dividends not deductible in computing taxable income, and certain amounts in respect of interest.

### ***Eligibility for Investment***

Tourmaline Shares received by a Resident Holder pursuant to the Arrangement should be qualified investments under the Tax Act for a trust governed by a registered retirement savings plans ("RRSP"), registered retirement income funds ("RRIF"), registered education savings plans ("RESP"), registered disability savings plans ("RDSP"), tax-free savings accounts ("TFSA"), first home savings accounts ("FHSA" and, together with RRSP, RRIF, RESP, RDSP and TFSA, "**Registered Plans**"), and deferred profit sharing plans, provided that, at the Effective Time, the Tourmaline Shares are listed on a "designated stock exchange" for purposes of the Tax Act.

Notwithstanding that Tourmaline Shares may be "qualified investments" for a Registered Plan, a beneficiary, annuitant, or subscriber, as the case may be, (each a "**Plan Holder**"), will be subject to a penalty tax on such shares if such shares are a "prohibited investment" for the Registered Plan.

Tourmaline Shares will generally not be a "prohibited investment" for a Registered Plan unless the Plan Holder (i) does not deal at arm's length with Tourmaline for purposes of the Tax Act, or (ii) has a "significant interest" (as defined in the Tax Act) in Tourmaline. In addition, Tourmaline Shares will not be a prohibited investment for a Registered Plan if such shares are "excluded property" (as defined in the Tax Act) for such Registered Plan.

**Resident Holders who intend to hold Tourmaline Shares in a Registered Plan should consult their own tax advisors regarding the application of these rules in their particular circumstances.**

### ***Dissenting Resident Shareholders***

A Resident Holder who validly exercises Dissent Rights (a "**Resident Dissenter**") will be deemed to have transferred such Resident Dissenter's Saguaro Shares to Tourmaline and will be entitled to receive a payment from Tourmaline of an amount equal to the fair value of the Resident Dissenter's Saguaro Shares.

A Resident Dissenter who, as a result of the exercise of Dissent Rights, is entitled to be paid the fair value of their Saguaro Shares by Tourmaline will realize a capital gain (or capital loss) to the extent that such payment exceeds (or is less than) the total of (i) the aggregate of the adjusted cost base of the Saguaro Shares held by the Resident Dissenter and (ii) any reasonable costs of the disposition. The taxation of capital gains and capital losses is discussed above under the heading "*Taxation of Capital Gains and Capital Losses*".

A Resident Dissenter will be required to include in computing their income any interest awarded by a court in connection with the Arrangement.

## **Holders Not Resident in Canada**

This portion of the summary applies to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not resident or deemed to be resident in Canada and does not use or hold, and is not deemed to use or hold, its Saguaro Shares or Tourmaline Shares in connection with carrying on a business (including an adventure or concern in the nature of trade) in Canada (a "**Non-Resident Holder**"). Special rules not discussed in this summary may apply to a Non-Resident Holder that is carrying on an insurance business in Canada and elsewhere, or that is an "authorized foreign bank" or a "foreign affiliate" (each as defined in the Tax Act).

This summary assumes and it is expected that the Saguaro Shares are and will continue to be at all relevant times "taxable Canadian property" for purposes of the Tax Act.

**Non-Resident Holders are urged to consult their own tax advisors for advice having regard to their particular circumstances.**

### ***Amalgamation of Saguaro and AcquisitionCo***

Generally, the income tax consequences to a Non-Resident Holder who receives Tourmaline Shares in exchange for Saguaro Shares pursuant to the Amalgamation will be the same as those for Resident Holders. See "*Holders Resident in Canada – Amalgamation of Saguaro and AcquisitionCo*".

In accordance with the CRA's administrative policy, Tourmaline is not expected to deduct or withhold pursuant to subsection 116(5) of the Tax Act in respect of taxes on the exchange of Saguaro Shares for Tourmaline Shares and the Amalgamation should not give rise to an obligation for a Non-Resident Holder to comply with the requirement to give notice to the CRA of a disposition of "taxable Canadian property" discussed below in "*Holders Not Resident in Canada – Section 116 Clearance Certificate & Other Canadian Tax Filings*".

The Tourmaline Shares received by Non-Resident Holders will be deemed to be taxable Canadian property to the Non-Resident Holder throughout the period that begins at the time the Tourmaline Shares are acquired under the Arrangement and ends on the day that is 60 months after the Arrangement. See "*Holders Not Resident in Canada – Taxation of Capital Gains and Losses*" below.

### ***Receipt of Dividends on Tourmaline Shares***

Where a Non-Resident Holder receives or is deemed to receive a dividend on Tourmaline Shares, the amount thereof will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or such lower rate as may apply under the provisions of an applicable income tax convention or treaty.

### ***Disposition of Tourmaline Shares***

A disposition of Tourmaline Shares by a Non-Resident Holder will be subject to taxation in Canada if the Tourmaline Shares are "taxable Canadian property" of the Non-Resident Holder, and there is no relief available under an applicable income tax treaty. The Tourmaline Shares received under the Arrangement will be deemed to be taxable Canadian property to a Non-Resident Holder throughout the period that begins at the time the Tourmaline Shares are acquired under the Arrangement and ends on the day that is 60 months after the Arrangement. See "*Holders Not Resident in Canada – Taxation of Capital Gains and Losses*" below.

Generally, Tourmaline Shares will not be taxable Canadian property to a Non-Resident Holder at the time of disposition if the disposition occurs more than 60 months after the date of the Arrangement, provided that the Tourmaline Shares are listed on a "designated stock exchange" (as defined in the Tax Act) at that time, unless at any time during the 60-month period that ends at that time: (a)(i) the Non-Resident Holder, (ii) persons not dealing at arm's length with the Non-Resident Holder (within the meaning of the Tax Act), (iii) partnerships in which the Non-Resident Holder or a person described in (a)(ii) holds a membership interest directly or indirectly through one or more partnerships or (iv) any combination of (a)(i) to (a)(iii), owned 25% or more of the issued shares of any class or series in the capital stock of Tourmaline; and (b) more than 50% of the fair market value of the Tourmaline Shares was

derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" or "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such property (whether or not such property exists), and the Tourmaline Shares are not, at the time of disposition, otherwise deemed under the Tax Act to be taxable Canadian property.

Notwithstanding the above, a Tourmaline Share may be deemed to be "taxable Canadian property" of a particular Non-Resident Holder in certain circumstances specified in the Tax Act. See "*Holders Not Resident in Canada – Amalgamation of Saguaro and AcquisitionCo*" above.

### ***Taxation of Capital Gains and Losses***

A disposition of property which is taxable Canadian property of the Non-Resident Holder will generally have the same tax consequences as discussed above under the heading "*Holders Resident in Canada – Taxation of Capital Gains and Losses*", subject to relief, if any, under an applicable income tax treaty. Where a capital loss is realized on such a disposition, further restrictions may apply to the utilization of such loss if the property so disposed of is "treaty protected property" for the purposes of the Tax Act.

### ***Section 116 Clearance Certificates & Other Canadian Tax Filings***

Non-Resident Holders will generally be required to give notice of any disposition of taxable Canadian property to the CRA under section 116 of the Tax Act and obtain a clearance certificate pursuant to subsection 116(2) or (4) of the Tax Act, failing which the purchaser of such taxable Canadian property will generally be required to withhold and remit to the CRA one-quarter of the purchase price. Failure to notify the CRA of a disposition of taxable Canadian property by a Non-Resident Holder within 10 days of the disposition can give rise to the assessment of penalties and interest against such holder. It is important to note that these notification obligations arise even where no Canadian tax will be payable because, for example, such a disposition of taxable Canadian property gives rise to a capital loss or because any capital gain which arises is not subject to Canadian taxation due to a non-recognition provision of the Tax Act or the application of a relevant tax treaty.

Generally, the requirement to give notice to the CRA of a disposition of taxable Canadian property should not apply where Tourmaline Shares are "excluded property" (as defined in section 116 of the Tax Act). Tourmaline Shares held by a Non-Resident Holder will be excluded property for the purposes of section 116 of the Tax Act at any time where such Tourmaline Shares are taxable Canadian property solely because a provision of the Tax Act deems such shares to be taxable Canadian property or if the Tourmaline Shares are listed on a "designated stock exchange" (for purposes of the Tax Act) at such time.

Notwithstanding that Tourmaline Shares may be excluded property for the purposes of section 116 of the Tax Act, a Non-Resident Holder who disposes of taxable Canadian property may be required to file a Canadian income tax return for the taxation year that includes the disposition of the property by the Non-Resident Holder (and may be subject to Canadian income taxes as discussed above under "*Holders Not Resident in Canada – Disposition of Tourmaline Shares*" and "*Holders Not Resident in Canada – Taxation of Capital Gains and Losses*"). Where amounts have been withheld and remitted to the CRA by a purchaser of such property as described above on account of the Non-Resident Holder's tax liability, the Non-Resident Holder may be entitled to obtain a refund of all or a portion of the amount withheld by filing a Canadian income tax return as and when required by the Tax Act.

**Non-Resident Holders that are subject to section 116 withholding should be aware that there are strict timelines that can affect such Non-Resident Holder even in the case where such Non-Resident Holder has applied for a clearance certificate and has received a comfort letter from the CRA. Non-Resident Holders are strongly urged to consult their own tax advisors in respect of section 116 withholding.**

### ***Dissenting Non-Resident Shareholders***

A Non-Resident Holder who validly exercises Dissent Rights (a "**Dissenting Non-Resident Holder**") and is entitled to be paid the fair value of their Saguaro Shares by Tourmaline will realize a capital gain (or capital loss) to the extent

that such payment exceeds (or is less than) the adjusted cost base of the Saguaro Shares to the Dissenting Non-Resident Holder determined immediately before the Effective Time, net of any reasonable costs of disposition.

The taxation of any such capital gain (or capital loss) will generally be as described above under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*". Unless the Dissenting Non-Resident Holder is entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident, the Non-Resident Holder will be required to file a Canadian tax return for the year reporting the disposition of the Saguaro Shares and will be subject to the withholding tax and clearance certificate application procedures under section 116 of the Tax Act, as described above under "*Holders Not Resident in Canada – Section 116 Clearance Certificate & Other Canadian Tax Filings*".

An amount paid in respect of interest awarded by the Court to a Dissenting Non-Resident Holder who validly exercises Dissent Rights should not be subject to Canadian withholding tax.

**Dissenting Non-Resident Holders are urged to consult their own tax advisors regarding exercising Dissent Rights and the resulting Canadian tax consequences.**

## **VIII. OTHER**

### ***Forward-Looking Statements***

This Notice of Written Resolution contains forward-looking statements and forward-looking information (collectively, "forward-looking statements"). Forward-looking statements are typically identified by words such as "anticipate", "estimate", "believe", "expect", "plan", "intend", "will", "would", "may" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements in this Notice of Written Resolution include, but are not limited to, statements with respect to: the anticipated Closing of the Arrangement and the timing and resulting benefits anticipated to result from the Arrangement; the Consideration Shares payable to Shareholders (other than Shareholders who exercise Dissent Rights in respect of the Arrangement); the anticipated timing of and forum for the Final Order; the estimate of the Net Debt; the anticipated VWAP of the Tourmaline Shares; the anticipated steps which will occur under the Plan of Arrangement and the timing thereof; and the anticipated tax treatment applicable to Shareholders; and other similar statements.

Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other things contemplated by the forward-looking statements will not occur. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this Notice of Written Resolution, assumptions have been made regarding, among other things: the specific assumptions with respect to the calculations of the Net Debt, the VWAP of the Tourmaline Shares, and the number of Consideration Shares (other than Shareholders who exercise Dissent Rights in respect of the Arrangement); the assumption of the exercise of all of the ITM Saguaro Warrants on a cashless exercise basis; the ability of the Corporation and the Purchaser to satisfy all conditions precedent and adhere to the representations, warranties and covenants outlined in the Arrangement; the ability of the Corporation to receive the Final Order, the TSX Approval and the Competition Act Approval; and the Arrangement being completed on the timelines and on the terms currently anticipated; and general economic, political, geopolitical and market conditions.

Although it is believed that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements contained in this Notice of Written Resolution are set forth above under the heading "*Risk Factors*". Shareholders are urged to carefully consider those factors as well as the other information contained in this Notice of Written Resolution.

The forward-looking statements contained in this Notice of Written Resolution are made as of the date hereof and the Corporation does not undertake any obligation to update publicly or revise any forward-looking statements contained

in this Notice of Written Resolution, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.



**APPENDIX B**  
**ARRANGEMENT AGREEMENT**

See attached.

*Execution Version*

**ARRANGEMENT AGREEMENT**  
**BETWEEN**  
**TOURMALINE OIL CORP.**  
**- AND -**  
**SAGUARO RESOURCES LTD.**

**May 2, 2025**

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## ARRANGEMENT AGREEMENT

**THIS ARRANGEMENT AGREEMENT** is dated as of the 2<sup>nd</sup> day of May, 2025.

### BETWEEN:

**TOURMALINE OIL CORP.**, a corporation existing under the laws of the Province of Alberta ("**Purchaser**")

- and -

**SAGUARO RESOURCES LTD.**, a corporation existing under the laws of the Province of Alberta ("**Saguaro**")

### WHEREAS:

- A. Purchaser and Saguaro (collectively, the "**Parties**" and each a "**Party**") wish to propose an arrangement on the terms set forth in the Plan of Arrangement (as defined herein);
- B. concurrently with the execution of this Agreement (as defined herein), Saguaro Shareholders (as defined herein) representing, in the aggregate, not less than 66⅔% of the issued and outstanding Saguaro Shares (as defined herein) have executed the Written Resolution (as defined herein);
- C. concurrently with the execution of this Agreement, Purchaser has entered into the Support Agreements (as defined herein) with the Supporting Shareholders (as defined herein);
- D. the Parties intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the ABCA (as defined herein); and
- E. the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement.

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions

In this Agreement, the following defined terms have the meanings hereinafter set forth:

- (a) "**2025 Development Plan**" means the "Laprise 2025 Development Plan" presented to Saguaro by the Purchaser on October 29, 2024 (which shall be deemed to include the updated capital costs presented on March 3, 2025 at the Quarterly Review (as that term is defined in the certain "Project Agreement" between Purchaser and Saguaro dated April 15, 2021)), and in both instances shared via portable document format;
- (b) "**2025 Operating Budget**" means the capital or operating expenditures as outlined in the annual operating budget delivered by Purchaser to Saguaro on March 4, 2025 via e-mail and mail ballot;

- (c) "ABCA" means the *Business Corporations Act*, R.S.A. 2000, c. B-9;
- (d) "Accounting Firm" means Ernst & Young LLP or such other accounting firm as may be mutually agreed upon by Saguaro and Purchaser;
- (e) "Acquisition Proposal" means, other than the transactions contemplated by this Agreement, any inquiry or the making of any offer or proposal, whether or not in writing or subject to a due diligence or other condition, to Saguaro, or Saguaro Shareholders (including any take-over bid initiated by advertisement or circular) from any Person or Persons acting "jointly or in concert" (where such phrase has the meaning ascribed thereto in Applicable Canadian Securities Laws) made after the date of this Agreement and prior to the earlier of termination of this Agreement or consummation of the Arrangement, as applicable, which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):
  - (i) any direct or indirect, sale, issuance or acquisition of securities of Saguaro that, when taken together with any securities of Saguaro held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, and assuming the conversion of any convertible securities held by the proposed acquiror, and any Person acting jointly or in concert with such acquiror, would constitute beneficial ownership of 20% or more of the outstanding voting securities of Saguaro or rights or interests therein;
  - (ii) any direct or indirect acquisition or purchase (or any lease, long-term supply agreement or other arrangement having the same economic effect as an acquisition or purchase), of 20% or more of the assets of Saguaro (other than the sale of production in the Ordinary Course of Business);
  - (iii) an amalgamation, arrangement, merger, business combination, consolidation, share exchange, liquidation, dissolution or other similar transaction involving Saguaro;
  - (iv) a take-over bid, issuer bid, tender offer, exchange offer, recapitalization, joint venture, reorganization or other similar transaction involving Saguaro that if consummated, would result in a Person or group of Persons acting jointly or in concert acquiring beneficial ownership of 20% or more of the outstanding voting securities of Saguaro;
  - (v) any other transaction or series of transactions, the consummation of which would or could reasonably be expected to impede, interfere with, prevent, impair or delay the transactions contemplated by this Agreement or the Arrangement; or
  - (vi) any announcement or other disclosure of an intention to do any of the foregoing;
- (f) "AcquisitionCo" has the meaning ascribed thereto in Section 2.1(d);
- (g) "Additional Saguaro Warrant Bonus" means the one-time cash bonus to be paid to one individual non-resident Employee following the date hereof and prior to the Effective Time in lieu of the issuance to such Employee of any Additional Saguaro Warrants at the time of the issuance of the Additional Saguaro Warrants, with such cash bonus amount being as set out in the Saguaro Disclosure Letter;

- (h) **"Additional Saguaro Warrants"** means the "Saguaro Series 2 Performance Warrants" to be issued by Saguaro to certain officers, Employees and directors of Saguaro following the date hereof and prior to the Effective Time, consisting of those "tranches" of warrants to acquire such number of Saguaro Shares at such exercise prices as are set out in the Saguaro Disclosure Letter;
- (i) **"affiliate"** and **"associate"** have the meanings ascribed thereto in the Securities Act;
- (j) **"Agreement"**, **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to this arrangement agreement (including the schedules and exhibits hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;
- (k) **"Anti-Corruption Laws"** has the meaning ascribed thereto in Section 4.1(kk);
- (l) **"Applicable Canadian Securities Laws"** means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (m) **"Applicable Laws"** in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial, municipal, regional or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms or conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;
- (n) **"Applicable Privacy Laws"** means any and all Applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) or any comparable provincial law including the *Personal Information Protection Act* (Alberta);
- (o) **"ARC"** means an advance ruling certificate issued by the Commissioner under section 102 of the Competition Act;
- (p) **"Arrangement"** means the arrangement under the provisions of Section 193 of the ABCA, on the terms and conditions set forth herein and in the Plan of Arrangement as supplemented, modified or amended;
- (q) **"Arrangement Resolution"** means the special resolution of Saguaro Shareholders approving the Arrangement in the form of the Written Resolution;
- (r) **"Articles of Arrangement"** means the articles of arrangement in respect of the Arrangement required under subsection 193(4.1) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

- (s) **"ATB Securities"** means ATB Securities Inc.;
- (t) **"Authorized Capital Expenditures"** means with respect to each Party, its respective working interest share of the following:
  - (i) capital expenditures in respect of Joint Assets approved prior to 2025 but with actual expenditure outlays in 2025;
  - (ii) capital expenditures outlined in the 2025 Development Plan;
  - (iii) capital or operating expenditures as outlined in the 2025 Operating Budget;
  - (iv) capital expenditures not specifically outlined in the 2025 Development Plan or 2025 Operating Budget but reasonably required in the opinion of Purchaser in the ordinary course of the day-to-day operations of the Joint Assets;
  - (v) capital expenditures expended to address emergencies or other urgent matters involving the potential loss or damage to property or personnel safety; and
  - (vi) such other capital expenditures as agreed upon in writing by Saguaro and Purchaser;
- (u) **"Base Purchase Price"** has the meaning ascribed thereto in Section 2.8(a);
- (v) **"Breaching Party"** has the meaning ascribed thereto in Section 5.4(b);
- (w) **"Business Day"** means a day other than a Saturday, Sunday or other day when banks in the city of Calgary, Alberta, are not generally open for business;
- (x) [Redacted definition];
- (y) **"Claim"** means any claim, action, demand, lawsuit, proceeding, notice of non-compliance or violation, order or direction, arbitration or governmental investigation, in each case, whether asserted, threatened, pending or existing;
- (z) **"Closing"** means the closing of the Arrangement contemplated by this Agreement in accordance with the terms and conditions of this Agreement, and **"Close"** shall have a corresponding meaning;
- (aa) **"Closing Date Statement"** has the meaning ascribed thereto in Section 2.8(b);
- (bb) **"Commissioner"** means the Commissioner of Competition appointed under the Competition Act or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition and includes the Commissioner's representatives where the context requires;
- (cc) **"Competition Act"** means the *Competition Act*, RSC 1985, c C-34;
- (dd) **"Competition Act Approval"** means the occurrence of one or more of the following, in respect of the transactions contemplated by this Agreement:
  - (i) the Commissioner shall have issued an ARC; or



- (ii) both (A) the Commissioner shall have issued a No Action Letter, on terms and conditions satisfactory to the Parties, each acting reasonably, and (B) either the waiting period has expired or been terminated by the Commissioner under sections 123(1) or 123(2), respectively, of the Competition Act, or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived by the Commissioner under section 113(c) thereof;
- (ee) "**Confidentiality Agreement**" means the mutual confidentiality agreement dated March 29, 2025 and entered into on March 31, 2025, between Purchaser and Saguaro in connection with the transactions contemplated herein;
- (ff) "**Consideration**" means the consideration to be received by the Saguaro Shareholders pursuant to the Plan of Arrangement as consideration for their Saguaro Shares, being for each Saguaro Share that is issued and outstanding immediately prior to the Effective Time (including as may be issued pursuant to the Saguaro Conditional Exercise and Surrender Agreements or as may be issued on the exercise of the Saguaro Warrants or Additional Saguaro Warrants pursuant to the Plan of Arrangement) that number of Purchaser Shares equal to one (1) Saguaro Share multiplied by the Exchange Ratio;
- (gg) "**Consideration Shares**" means the number (rounded to the nearest whole share) of Purchaser Shares equal to: (i) the Purchase Price, divided by (ii) the VWAP Price;
- (hh) "**Continuing Personnel**" has the meaning ascribed thereto in Section 2.3(c);
- (ii) "**Contract**" means, with respect to a Party, a written contract, lease, license, permit, instrument, note, bond, debenture, mortgage, agreement, arrangement or understanding, to which such Party is a party or under which such Party is bound, has unfulfilled obligations or contingent liabilities or is owed unfulfilled obligations, whether known or unknown, and whether asserted or not;
- (jj) "**Court**" means the Court of King's Bench of Alberta;
- (kk) "**Data Room**" means the electronic/virtual data room of Saguaro entitled [Redacted confidential website address];
- (ll) "**Depository**" has the meaning ascribed thereto in the Plan of Arrangement;
- (mm) "**Depository Agreement**" means the depository and escrow agreement to be dated as of the Effective Date among Purchaser, Saguaro and the Depository, in a form to be negotiated in good faith between the parties thereof and on terms satisfactory to the Parties, each acting reasonably;
- (nn) "**Derivative Contract**" means a financial risk management Contract, such as a currency, commodity, interest or equity related instrument, including but not limited to rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions, but does not include any Marketing and Midstream Agreements;

- (oo) **"Disclosed Personal Information"** has the meaning ascribed thereto in Section 4.4(a);
- (pp) **"Dissent Rights"** means the right of a Dissenting Shareholder to dissent in respect of the Arrangement Resolution and to be paid the fair value of the Saguaro Shares granted pursuant to the Interim Order, all in accordance with section 191 of the ABCA (as modified by the Interim Order), the Interim Order and the Plan of Arrangement;
- (qq) **"Dissenting Shareholder"** means a registered holder of Saguaro Shares (other than the Supporting Shareholders) who validly dissents in respect of the Arrangement Resolution in strict compliance with Section 4.1 of the Plan of Arrangement and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as at the Effective Time;
- (rr) **"distribution"** means **"distribution"** as defined under the Applicable Canadian Securities Laws; and **"distribute"** has a corresponding meaning;
- (ss) **"Effective Date"** has the meaning ascribed thereto in Section 2.1(b);
- (tt) **"Effective Time"** means the time on the Effective Date at which the Articles of Arrangement are filed with the Registrar;
- (uu) **"Employee Information"** means a list of the names of all Employees and Independent Contractors together with a list of the following information to the extent that it relates to each Employee or Independent Contractor: (i) positions or job titles; (ii) start date, the length of service, rate of compensation (including current wages, salaries or hourly rate of pay), change of control entitlements, annual vacation entitlement and accrued and unused vacation days, benefits entitlements and commission, incentive or bonus entitlement (if any) for each such individual; (iii) current status of employment or service and, in particular, whether any such Employee or Independent Contractor is on a leave other than for vacation, the nature of the leave and the expected date of return, if any, and whether such Employee or Independent Contractor is employed or provides services on a full or part time basis; (iv) whether the Employee or Independent Contractor is a party to a written employment or independent contractor agreement; (v) the locations where the Employees and Independent Contractors perform services for Saguaro; and (vi) the Employee Obligations for such Employees or Independent Contractors, assuming the employment or engagement of such Employees or Independent Contractors cease (on a termination without cause basis) as of the Effective Date;
- (vv) **"Employee Obligations"** is equal to, without duplication, the obligations of Saguaro pursuant to the Saguaro Retention Bonus Plan, and all obligations of Saguaro in connection with the termination of the employment or service, as applicable, of all Employees (including officers) and Independent Contractors as at the Effective Date, assuming their employment or service is terminated at the Effective Date, whether or not the employment or service, as applicable, of such Employee and/or Independent Contractor is terminated at the Effective Date (including all severance, termination and change of control payments including any and all costs, vacation pay, retention plans and any bonus (including: (i) the Saguaro Retention Bonus Plan; and (ii) the Additional Saguaro Warrant Bonus) or other benefit or entitlement payments for Employees and Independent Contractors);
- (ww) **"Employees"** means all employees of Saguaro, including for certainty all officers;

- (xx) **"Encumbrances"** means, in the case of property or an asset, all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, rights of first refusal, outstanding demands, burdens, capital leases, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging, or creating a security interest in, or against title to, such property or asset, or any part thereof or interest therein, and any agreements, leases, options, easements, rights of way, restrictions, executions or other charges or encumbrances (including notices or other registrations in respect of any of the foregoing) (whether by Applicable Law, contract or otherwise) against title to any of the property or assets, or any part thereof or interest therein;
- (yy) **"Environmental Laws"** means, with respect to any Person or its business, activities, property, assets or undertaking, all Applicable Laws, relating to environmental, health or safety matters including legislation governing the use, generation, handling, transportation, treatment, release, disposal, remediation and storage of, and exposure to, Hazardous Substances and the abandonment and reclamation of wells;
- (zz) **"ESTMA"** means the *Extractive Sector Transparency Measures Act* (Canada) R.S.C. 2014, c. 39; s. 376, as amended and any regulations made thereunder;
- (aaa) **"Exchange Ratio"** means the number (or fraction of a number) determined by dividing (i) the Consideration Shares by (ii) the Saguaro Closing Fully Diluted Share Count;
- (bbb) **"Final Order"** means the order of the Court approving the Arrangement to be applied for by Saguaro in accordance with this Agreement and to be granted pursuant to subsection 193(4) of the ABCA, in a form acceptable to Purchaser and Saguaro, each acting reasonably, in respect of Saguaro Shareholders and Saguaro, as such order may be affirmed, amended or modified by the Court (with the consent of each of Saguaro and Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to each of Saguaro and Purchaser, each acting reasonably) on appeal;
- (ccc) **"Fundamental Representations of Purchaser"** means the representations and warranties of Purchaser set forth in Section 4.2(a) (Organization and Qualification) and Section 4.2(b) (Authority Relative to this Agreement);
- (ddd) **"Fundamental Representations of Saguaro"** means the representations and warranties of Saguaro set forth in Section 4.1(a) (Organization and Qualification), Section 4.1(b) (Authority Relative to this Agreement), Section 4.1(c) (Subsidiaries), Section 4.1(d) (No Restrictions), Section 4.1(i) (Capitalization) and Section 4.1(ee) (Brokers and Finders);
- (eee) **"Governmental Authority"** means any:
  - (i) international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;
  - (ii) subdivision, agency, agent or authority of any of the foregoing; and

- (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange, or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (fff) "**Governmental Authorization**" means with respect to a Person, all licenses, Permits, certificates, consents, orders, grants, registrations, recognition orders, exemption relief orders, no-action relief and other authorizations from any Governmental Authority necessary in connection with its business as it is now being or proposed to be conducted;
- (ggg) "**Guaranteed Obligations**" has the meaning ascribed thereto in Section 2.1(d);
- (hhh) "**GST**" means the goods and services tax and/or harmonized sales tax levied under the *Excise Tax Act* (Canada) and any similar tax imposed by any province of Canada;
- (iii) "**Hazardous Substances**" means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Laws, including but not limited to petroleum and all derivatives thereof or synthetic substitutes therefore;
- (jjj) "**Holdco CA**" means the confidentiality agreement dated March 30, 2025 between Saguaro Canada Intermediate Holdings ULC and Purchaser;
- (kkk) "**IFRS**" has the meaning ascribed thereto in Section 1.8;
- (lll) "**Independent Contractors**" means all consultants, contractors and independent contractors providing services to Saguaro;
- (mmm) "**Indigenous Group**" means a group of Persons who have due authority to represent First Nations, Métis and/or indigenous and/or groups of aboriginal persons, tribes and/or bands of Canada;
- (nnn) "**Indigenous Group Claim**" means any Claims, assertions or demands, written or oral, whether proven or unproven, made by any Indigenous Group to Saguaro or a Governmental Authority in respect of asserted or proven aboriginal rights, aboriginal title, treaty rights or any other aboriginal interest in or to all or any portion of lands in which Saguaro has an interest, Saguaro itself or any of its assets;
- (ooo) "**Interim Order**" means the interim order of the Court, in a form acceptable to Purchaser and Saguaro, each acting reasonably, concerning the Arrangement under subsection 193(4) of the ABCA, containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction, provided that any such amendment or modification is acceptable to both Saguaro and Purchaser, each acting reasonably;
- (ppp) "**Joint Assets**" means the lands, properties, facilities, tangibles, miscellaneous interests and other assets jointly held by Purchaser and Saguaro pursuant to the terms and conditions of the title and operating Contracts applicable to the interests of Saguaro and Purchaser in such assets;

- (qqq) **"Letter of Transmittal"** means the letter of transmittal pursuant to which Saguaro Shareholders are required to deliver certificates or direct registration statements (DRSs), as applicable, representing Saguaro Shares;
- (rrr) **"LOI"** means the letter of intent dated March 20, 2025 entered into by Purchaser and Saguaro;
- (sss) **"Marketing and Midstream Agreements"** means each agreement for the processing, compression, treatment, gathering, storage, transportation, fractionation, purchase, sale or delivery of petroleum substances that is not terminable on 31 days' notice, or less, without payment or penalty, each of which is described in the Saguaro Disclosure Letter;
- (ttt) **"Material Adverse Change" or "Material Adverse Effect"** means, with respect to either Party, any fact or state of facts, circumstance, change, effect, occurrence or event that individually or in the aggregate is, or would reasonably be expected to be, material and adverse to the condition (financial or otherwise), business, operations, properties, licenses, affairs, assets, liabilities (contingent or otherwise), capitalization, results of operations or cash flows of such Party (taken as a whole), other than any fact, state of facts, circumstance, change, effect, occurrence or event relating to or resulting from:
  - (i) conditions affecting the oil and gas industry generally in jurisdictions in which such Party carries on business, including, without limitation, changes in royalties, Applicable Laws, Sanctions or Taxes;
  - (ii) general economic, business, or financial conditions, currency exchange rates, interest rates, inflation rates, international trade and tariffs, or securities, credit or commodity markets in Canada, the United States or elsewhere;
  - (iii) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism, sabotage or cyberattacks, or general strikes, lockouts or labour disruptions);
  - (iv) any natural disaster, including wildfires;
  - (v) any change in the market price of crude oil, natural gas or related hydrocarbons on a current or forward basis;
  - (vi) any failure to meet any internal projections, forecasts or estimates of, or guidance relating to, revenue, earnings, cash flow or other financial or operating metrics of a Party (it being understood that the causes underlying such failure to meet any such internal projections, forecasts, estimates or guidance may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred);
  - (vii) any matter that is set forth in the Saguaro Disclosure Letter (to the extent the implications of such matter are set forth in the Saguaro Disclosure Letter or are reasonably obvious from and related to the heading or category of such disclosure);
  - (viii) any actions taken (or omitted to be taken) at the written request of the Other Party;

- (ix) any change in Applicable Laws (including Tax laws) or in the interpretation or application of any Applicable Laws by any Governmental Authority or the adoption or implementation of any laws by a Governmental Authority, in each case after the date hereof generally applicable to the upstream oil and gas industry as a whole;
- (x) any changes in IFRS;
- (xi) any change in the market trading price or volume of the Purchaser Shares or any change or announcement of a potential change in the credit ratings in respect of Purchaser or any change in any analyst recommendations or ratings with respect to Purchaser (it being understood that the causes underlying such change or announcement may be considered to determine whether such causes constitute a Material Adverse Effect or Material Adverse Change to the extent not otherwise excluded from this definition); or
- (xii) any changes or effects arising, directly or indirectly, from the Arrangement or any other matters or actions permitted or contemplated by this Agreement, including any public announcement of the foregoing, or consented to or approved in writing by the Other Party,

provided, however, that the change or effect referred to in clause (i) through (v) above does not primarily relate only to (or have the effect of primarily relating only to) a Party or have a materially disproportionate effect on a Party compared to other entities of similar size operating in the oil and gas exploration, exploitation, development and production industry, in which case the relevant exclusion from this definition of Material Adverse Change or Material Adverse Effect referred to above shall not be applicable and references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrations for purposes of whether a "Material Adverse Change" or "Material Adverse Effect" has occurred;

- (uuu) "**misrepresentation**" and "**material change**" shall have the meanings ascribed thereto under Applicable Canadian Securities Laws;
- (vvv) "**Modern Slavery Laws**" has the meaning ascribed thereto in Section 4.1(kk);
- (www) "**Money Laundering Laws**" has the meaning ascribed thereto in Section 4.1(kk);
- (xxx) "**Net Debt**" is equal to, without duplication,
  - (i) the sum of all indebtedness (including bank indebtedness), current liabilities (including, but not limited to, estimated cash Taxes payable by Saguaro as at Closing as well as Transaction Costs and Employee Obligations) and other obligations of Saguaro classified as a balance sheet liability pursuant to IFRS, other than abandonment, retirement, reclamation or decommissioning liabilities, lease liabilities and deferred income tax liabilities; less
  - (ii) the sum of all current assets (excluding any accounts receivable over ninety (90) days and any other amounts that Purchaser does not believe to be collectible or supportable, acting reasonably), excluding in all cases, [Redacted – Net Debt exclusion];

- (yyy) "**NI 62-104**" means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;
- (zzz) "**No Action Letter**" means a written confirmation from the Commissioner that he does not, at that time, intend to make an application under section 92 of the Competition Act;
- (aaaa) "**Notice of Written Resolution**" has the meaning ascribed thereto in Section 2.10(a);
- (bbbb) "**Ordinary Course of Business**" means with respect to an action taken or to be taken, or an inaction taken or to be taken, that such action or inaction is consistent with prior custom and practice of the Person to whom such term relates (including with respect to quantity, frequency, terms, values, risks and obligations), is commercially reasonable in the circumstances and is taken in the ordinary course of the normal day-to-day operations of the business of the Person to whom such term relates and, without limitation, in the case of the Joint Assets as it pertains to Saguario includes the fact that Saguario does not operate any of the Joint Assets in which it has an interest and that the Purchaser is the operator of such Joint Assets;
- (cccc) "**Other Party**" means, with respect to:
- (i) Saguario, Purchaser; and
  - (ii) Purchaser, Saguario;
- (dddd) "**Outside Date**" means July 31, 2025 or such other date as the Parties may agree in writing;
- (eeee) "**Parties**" has the meaning ascribed thereto in the recitals to this Agreement;
- (ffff) "**Permit**" means any license, permit, certificate, franchise, consent, order, grant, easement, covenant, approval, classification, registration or other authorization of and from any person, including any Governmental Authority;
- (gggg) "**Permitted Encumbrances**" means:
- (i) the terms and conditions of the title and operating Contracts applicable to the interests of Saguario and Purchaser in the Joint Assets, and any other overriding royalties, net profits interests or other like Encumbrances applicable to the interests of Saguario in respect of its petroleum and natural gas rights and leases and all related tangibles, equipment, facilities and miscellaneous interests to the extent disclosed in the Data Room or in the Saguario Disclosure Letter;
  - (ii) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires;
  - (iii) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy Taxes or to control or regulate Saguario's interests in any manner, including, without limitation, the right to control or regulate production rates and the conduct of operations;

- (iv) statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from the Crown of mines and minerals;
  - (v) Encumbrances for Taxes that are not due or delinquent, or the validity of which are being contested in good faith by Saguaro;
  - (vi) undetermined or inchoate liens incurred or created in the Ordinary Course of Business as security for Saguaro's share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time;
  - (vii) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time;
  - (viii) liens granted in the Ordinary Course of Business to a Governmental Authority respecting operations pertaining to petroleum and natural gas rights;
  - (ix) minor defects of title which, individually and in the aggregate, do not materially affect Saguaro's right of ownership in its properties and assets or Saguaro's right to utilize its properties and assets to conduct its business;
  - (x) liens created or arising in the Ordinary Course of Business in respect of the joint operation of petroleum and natural gas properties and related production and processing facilities or arrangements for the processing, treating, transmission or transportation of hydrocarbon substances, provided such liens are not in respect of obligations which are due or delinquent as of the Effective Time;
  - (xi) rights of first refusal and similar preferential rights created in the Ordinary Course of Business;
  - (xii) liens arising in connection with workers' compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent or the validity of which is being contested in good faith by Saguaro; and
  - (xiii) Encumbrances granted in favour of ATB Financial pursuant to or in connection with the Saguaro Credit Agreement (including hedge agreements and cash management agreements with ATB Financial);
- (hhhh) **"Person"** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (iiii) **"Personal Information"** means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual;
- (jjjj) **"Plan of Arrangement"** means the plan of arrangement under the ABCA pursuant to which Purchaser will acquire all of the issued and outstanding Saguaro Shares and certain



other transactions will be completed, all on the terms and conditions described herein, which plan of arrangement shall be substantially in the form set forth in Exhibit "A" to this Agreement, as such plan of arrangement may be amended or supplemented from time to time in accordance with the terms thereof;

- (kkkk) "**Purchase Price**" has the meaning ascribed thereto in Section 2.8(a);
- (llll) "**Purchaser**" means Tourmaline Oil Corp., a corporation existing under the ABCA;
- (mmmm) "**Purchaser Balance Sheet**" has the meaning ascribed thereto in Section 4.2(n)(i);
- (nnnn) "**Purchaser Board**" means the board of directors of Purchaser, as it may be comprised from time to time;
- (oooo) "**Purchaser Damages Event**" has the meaning ascribed thereto in Section 6.1(a)(i);
- (pppp) "**Purchaser Expense Reimbursement**" has the meaning ascribed thereto in Section 6.1(a)(ii);
- (qqqq) "**Purchaser Financial Statements**" means, collectively, the audited consolidated financial statements of Purchaser as at and for the fiscal years ended December 31, 2024 and December 31, 2023, together with the notes thereto and the auditors' report thereon;
- (rrrr) "**Purchaser Information**" means all information provided or consented to in writing by Purchaser to Saguaro for inclusion in, and that is included in, the Notice of Written Resolution that describes Purchaser and the business, operations and affairs of Purchaser;
- (ssss) "**Purchaser Public Record**" means all information filed by or on behalf of Purchaser on and after December 31, 2023 with the Securities Authorities, in compliance, or intended compliance, with any Applicable Laws;
- (tttt) "**Purchaser Reimbursement Event**" has the meaning ascribed thereto in Section 6.1(a)(ii);
- (uuuu) "**Purchaser Shares**" means the common shares in the capital of Purchaser;
- (vvvv) "**Purchaser Termination Fee**" has the meaning ascribed thereto in Section 6.1(a)(i);
- (www) "**Registrar**" means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under section 263 of the ABCA;
- (xxxx) "**Representatives**" means, with respect to a Party, the officers, directors, employees, counsel and financial and other professional advisors of such Party;
- (yyyy) "**Saguaro**" means Saguaro Resources Ltd., a corporation existing under the ABCA;
- (zzzz) "**Saguaro Balance Sheet**" means the statement of financial position of Saguaro as of December 31, 2024 as set forth in the Saguaro Financial Statements together with the notes thereto;
- (aaaaa) "**Saguaro Board**" means the board of directors of Saguaro as it may be comprised from time to time;

- (bbbbb) "**Saguaro Closing Fully Diluted Share Count**" means the number equal to the sum of: (i) the number of issued and outstanding Saguaro Shares as at immediately prior to the Effective Time prior to the issuance of the Saguaro Shares in (ii); (ii) the number of Saguaro Shares issued upon the exercise of the Saguaro Warrants or Additional Saguaro Warrants pursuant to the Saguaro Conditional Exercise and Surrender Agreements; and (iii) the number of Saguaro Shares issued upon the exercise of Saguaro Warrants or Additional Saguaro Warrants that have not been exercised prior to the Effective Time pursuant to the Saguaro Conditional Exercise and Surrender Agreements and are exercised under the Plan of Arrangement;
- (ccccc) "**Saguaro Conditional Exercise and Surrender Agreements**" means agreements entered between Saguaro, Purchaser and the holders of Saguaro Warrants and Additional Saguaro Warrants whereby each holder of Saguaro Warrants and Additional Saguaro Warrants shall conditionally exercise certain Saguaro Warrants and Additional Saguaro Warrants pursuant to the terms of such Saguaro Warrants or Additional Saguaro Warrants, as applicable and surrender for nominal consideration certain Saguaro Warrants or Additional Saguaro Warrants, as applicable, in accordance with Section 2.5 and the Plan of Arrangement;
- (ddddd) "**Saguaro Credit Agreement**" means the amended and restated commitment letter dated May 30, 2024 between Saguaro and ATB Financial;
- (eeeee) "**Saguaro Damages Event**" has the meaning ascribed thereto in Section 6.2(a)(i);
- (fffff) "**Saguaro Disclosure Letter**" means the disclosure letter from Saguaro to Purchaser dated the date hereof and provided to Purchaser concurrently with the execution hereof;
- (ggggg) "**Saguaro Expense Reimbursement**" has the meaning ascribed thereto in Section 6.2(a)(ii);
- (hhhhh) "**Saguaro Financial Statements**" means, collectively, the audited financial statements of Saguaro as at and for the fiscal years ended December 31, 2024 and December 31, 2023, together with the notes thereto and the auditors' report thereon;
- (iiiiii) "**Saguaro Interests**" has the meaning ascribed thereto in Section 4.1(s);
- (jjjjj) "**Saguaro Material Contract**" has the meaning ascribed thereto in Section 4.1(aa);
- (kkkkk) "**Saguaro Plans**" has the meaning ascribed thereto in Section 4.1(bb);
- (lllll) "**Saguaro Reimbursement Event**" has the meaning ascribed thereto in Section 6.2(a)(ii);
- (mmmmm) "**Saguaro Related Parties**" has the meaning ascribed thereto it in Section 4.1(r);
- (nnnnn) "**Saguaro Reserves Report**" has the meaning ascribed thereto in Section 4.1(t);
- (ooooo) "**Saguaro Retention Bonus Plan**" means Saguaro's existing retention bonus plan dated May 18, 2022 implemented, *inter alia*, to encourage the retention of Saguaro's Employees;

(ppppp) "**Saguaro Retention Bonuses**" means the retention payments to be paid under the Saguaro Retention Bonus Plan to certain Employees, directors and other personnel of Saguaro as are set out in the Saguaro Disclosure Letter;

(qqqqq) "**Saguaro Shareholders**" means holders of Saguaro Shares;

(rrrrr) "**Saguaro Shares**" means the common shares in the capital of Saguaro;

(sssss) "**Saguaro Termination Fee**" has the meaning ascribed thereto in Section 6.2(a);

(ttttt) "**Saguaro Third Party Beneficiaries**" has the meaning ascribed thereto in Section 10.10(a);

(uuuuu) "**Saguaro Warrants**" means the Saguaro Series 2 Performance Warrants outstanding as of the date hereof, consisting of those "tranches" of warrants to acquire such number of Saguaro Shares at such exercise prices as are set out in the Saguaro Disclosure Letter;

(vvvvv) "**Sanctions**" has the meaning ascribed thereto in Section 4.1(mm);

(wwwww) "**Securities Act**" means the *Securities Act*, R.S.A. 2000, c. S-4;

(xxxxx) "**Securities Authorities**" means, collectively, the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada;

(yyyyy) "**Share Buy-Back Agreements**" means the Share Buy-Back Agreements as set forth in the Saguaro Disclosure Letter;

(zzzzz) "**Shareholder Agreement**" means the fourth amended and restated shareholder agreement dated December 2, 2015 by and among Saguaro and the shareholders of Saguaro listed in Schedule A attached thereto;

(aaaaa) "**subsidiary**" has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned or controlled by a Person);

(bbbbb) "**Superior Proposal**" means a *bona fide* unsolicited written Acquisition Proposal made after the date hereof from a Person or group of Persons acting "jointly or in concert" (where such phrase has the meaning ascribed thereto in Applicable Canadian Securities Laws) (other than Purchaser and or any affiliate of Purchaser) to purchase or otherwise acquire, directly or indirectly, by means of an acquisition, take-over bid, amalgamation, plan of arrangement, business combination, consolidation, recapitalization, liquidation, winding-up or similar transaction, not less than all of the outstanding Saguaro Shares (other than Saguaro Shares beneficially owned by the Person or Persons making such Superior Proposal) or all or substantially all of the assets of Saguaro:

(A) that complies with Applicable Laws and did not result from a breach of Section 3.4;

(B) that is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of the Saguaro Board, acting in good faith (after receipt of advice from its financial advisors and its outside legal counsel), that adequate arrangements have been made in respect of any

required financing to complete such Acquisition Proposal at the time and on the basis set out therein;

- (C) that is not subject to any due diligence condition and/or access condition;
- (D) that the Saguaro Board and any relevant committee thereof has determined in good faith (after receipt of advice from its financial advisors and outside legal counsel) is reasonably capable of being consummated without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal; and
- (E) that the Saguaro Board and any relevant committee thereof determines in good faith, after consultation with its financial advisors, would be, if consummated in accordance with its terms, more favourable, from a financial point of view, to the Saguaro Shareholders than the Arrangement;

(ccccc) **"Support Agreements"** means the support agreements entered into between the Supporting Shareholders and Purchaser, dated as of the date hereof;

(ddddd) **"Supporting Shareholders"** means collectively: (i) all of the directors and officers of Saguaro; (ii) the following Saguaro Shareholders: (A) Saguaro Canada Holdings ULC; and (B) Camcor Partner Fund VII GP Inc.; and (iii) such other Saguaro Shareholders who have entered into Support Agreements with Purchaser concurrently with the execution of this Agreement;

(eeeeee) **"Tax" or "Taxes"** shall mean (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever however denominated, whether computed on a separate, consolidated, unitary, combined or other basis, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), capital gain, minimum, payroll and employee withholding taxes, employment insurance premiums, unemployment insurance, social insurance taxes, Canada Pension Plan contributions, sales, use and goods and services taxes (including GST), value added taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, environmental taxes, capital taxes, production taxes, recapture, carbon taxes, withholding taxes, employee health taxes, surtaxes, customs, import and export taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, transfer taxes, land transfer taxes, fuel taxes or levies, workers' compensation and other similar governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party, or any of its subsidiaries, as applicable, is required to pay, withhold, remit or collect; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii); and (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period;

(ffffff) **"Tax Act"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.);

(ggggg) **"Tax Pools"** means undepreciated capital cost of any particular class of depreciable property, cumulative Canadian exploration expense, cumulative Canadian

development expense, cumulative Canadian oil and gas property expense, scientific research and development expenses, capital losses, non-capital losses and investment tax credits, all as defined in the Tax Act, and financing expenses referred to in paragraph 20(1)(e) of the Tax Act;

(hhhhh) "**Tax Returns**" means all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be supplied to any Governmental Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports), including any amendments thereto;

(iiiiii) "**Terminated Personnel**" has the meaning ascribed thereto in Section 2.3(a);

(jjjjj) "**Terminating Party**" has the meaning ascribed thereto in Section 5.4(b);

(kkkkk) "**Termination Notice**" has the meaning ascribed thereto in Section 5.4(b);

(lllll) "**threatened**" when used in relation to legal action or any other matter, means that a demand or statement (oral or written) has been made or a notice (oral or written) has been given that such legal action or other matter is to be asserted, commenced, taken or otherwise pursued in the future or that an event has occurred or circumstances exist that would lead a reasonable Person to conclude that such legal action or other matter is likely to be asserted, commenced, taken or otherwise pursued in the future;

(mmmmm) "**Transaction Costs**" means the aggregate, without duplication, of all costs and expenses incurred, whether accrued or paid, by Saguario in connection with the negotiation and implementation of the Arrangement including, without limitation, shareholder meeting or communication costs (if applicable), all financial or other advisory, legal, accounting, engineering and other professional fees and costs, any restructuring costs, seismic transfer fees (if any), any expenditures which are incurred on behalf of Saguario Shareholders (and their respective affiliates) directly in connection with the Arrangement and which Saguario has agreed to pay, and any cash payments made pursuant to the terms of outstanding convertible securities or otherwise, any and all withholding taxes in respect of Saguario Shares to be issued pursuant to any long-term incentive plans and other costs associated with shareholder approvals, the cost and premiums for any "tail" or "run off" directors and officers liability insurance and any costs, expenses or filing fees associated or incurred in connection with any regulatory approvals, including the filing fees that Saguario is responsible for pursuant to section 3.3(b)(v) of this Agreement in connection with, Competition Act Approval;

(nnnnn) "**TSX**" means the Toronto Stock Exchange;

(ooooo) "**TSX Approval**" means the conditional approval of the TSX to list the Consideration Shares on the TSX subject only to the customary conditions of the TSX;

(ppppp) "**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated from time to time thereunder;

(qqqqq) "**U.S. Investment Company Act**" means the United States *Investment Company Act of 1940*, as amended, and the rules, regulations and orders promulgated thereunder;

- (rrrrrr) "**U.S. Securities Act**" means the United States *Securities Act of 1933*, as amended, and the rules, regulations and orders promulgated thereunder;
- (ssssss) "**U.S. Securities Laws**" means the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time;
- (tttttt) "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (uuuuuu) "**VWAP**" means the volume weighted average trading price of the Purchaser Shares on the TSX, calculated by dividing the total dollar value of the Purchaser Shares traded over the relevant period by the total volume of the Purchaser Shares traded over the relevant period;
- (vvvvvv) "**VWAP Price**" means the VWAP per Purchaser Share (to the fourth decimal place) for the fifteen day period ending on (and including) the sixth Business Day immediately prior to the Effective Date; and
- (wwwwww) "**Written Resolution**" means the approval of the Arrangement Resolution by way of written resolution in the form set forth in Exhibit "B" to this Agreement including any amendments or variations made thereto in accordance with this Agreement or at the discretion of the Court in the Interim Order, provided any amendments made at the direction of the Court in the Interim Order are acceptable to Saguaro and Purchaser, each acting reasonably.

## 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**herein**" and "**hereunder**" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## 1.3 Number and Gender

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

## 1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by either Party is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

## 1.5 Entire Agreement

- (a) Subject to Section 1.5(c), this Agreement, the Confidentiality Agreement, the CIPA, the Saguaro Conditional Exercise and Surrender Agreements and the Saguaro Disclosure Letter, together with the agreements and documents herein and therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof

and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof, including the LOI.

- (b) To the extent of any inconsistency between this Agreement and the Confidentiality Agreement, this Agreement shall supersede the Confidentiality Agreement.
- (c) The following are separate agreements between the parties thereto and are unaffected by Section 1.5(a):
  - (i) the Support Agreements; and
  - (ii) the Holdco CA.
- (d) The Parties hereby covenant and agree that each agreement referred to in Section 1.5(c)(i) shall be executed and delivered by the respective parties thereto concurrent with the execution and delivery of this Agreement.

#### **1.6 Statute and Agreement References**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time. References to any agreement or document shall be to such agreement or document (together with all schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time.

#### **1.7 Currency**

All sums of money that are referred to in this Agreement are expressed in lawful money of Canada unless otherwise noted.

#### **1.8 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under International Financial Reporting Standards, as established by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board ("IFRS") and all determinations of an accounting nature required to be made shall be made in accordance with IFRS applicable as at the date on which such calculation is made or required to be made on a basis consistent with preceding years but subject to the adoption of any new accounting principles and rules and the transition rules pertaining thereto.

#### **1.9 Interpretation Not Affected by Party Drafting**

The Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

### **1.10 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Saguaro or Purchaser, as applicable, it refers to the actual knowledge of any officer of Saguaro (other than the Corporate Secretary) in respect of Saguaro and any officer of Purchaser in respect of Purchaser, in each case after due inquiry and in each case in their capacity as officers of Saguaro or Purchaser, as applicable, and not in their personal capacity, as of the date of this Agreement and does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

### **1.11 Inclusive Terminology**

Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion will not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather will mean "includes but is not limited to" and "including but not limited to", so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive.

### **1.12 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

### **1.13 Exhibits**

The following exhibits attached hereto are incorporated into and form an integral part of this Agreement:

Exhibit "A" — Plan of Arrangement  
Exhibit "B" — Written Resolution

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Plan of Arrangement**

- (a) The Parties agree to carry out the Arrangement pursuant to which (among other things):
  - (i) the Arrangement shall be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement;
  - (ii) the Arrangement has been and shall continue to be structured such that on the Effective Date the issuance of the Purchaser Shares issuable under the Arrangement:
    - (A) will be made in compliance with Applicable Canadian Securities Laws; and



- (B) assuming the Arrangement Resolution is approved and the Final Order is obtained, will not require registration under the U.S. Securities Act, in reliance on the exemption provided by Section 3(a)(10) thereof and exemptions under applicable state securities laws, and

each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set forth in this Section 2.1(a)(ii); and

- (iii) upon the issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 5, the Parties shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to section 193(4) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set forth therein without any further act or formality.
- (b) As soon as reasonably practicable, but in any event prior to the Outside Date and not later than two (2) Business Days after the last of the conditions set forth in Article 5 have been satisfied or, waived by the applicable Party in whose favour the condition is, the Parties will complete the Arrangement (the "**Effective Date**"), including by executing and delivering such closing documents and instruments and filing with the Registrar pursuant to section 193(4.1) of the ABCA, the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement, and the Arrangement shall become effective at the Effective Time and the steps comprising the Plan of Arrangement will be deemed to occur in the order, at the times, and in the manner set forth therein. The closing of the transactions contemplated hereby will take place remotely by exchange of documents and signatures (or their electronic counterparts).
  - (c) The Parties shall use all commercially reasonable efforts to cause the Effective Date to occur on or about June 6, 2025 or as soon thereafter as is reasonably practical and in any event by the Outside Date.
  - (d) Notwithstanding any other provision of this Agreement, the Parties agree that a direct wholly-owned subsidiary of Purchaser will be organized by Purchaser ("**AcquisitionCo**") prior to the Effective Date for the sole purpose of participating in the Arrangement pursuant to section 3.1(d) of the Plan of Arrangement. Purchaser shall cause AcquisitionCo to perform all of its obligations under this Agreement and hereby agrees that it shall unconditionally and irrevocably guarantee in favour of Saguaro the due and punctual performance by AcquisitionCo of, each and every obligation of AcquisitionCo arising under the Arrangement and this Agreement (the "**Guaranteed Obligations**"). Purchaser hereby agrees that Saguaro shall not have to proceed first against AcquisitionCo in respect of any such Guaranteed Obligation before exercising its rights under this guarantee against Purchaser and Purchaser agrees to be liable for all Guaranteed Obligations as if it were the principal obligor of such obligations.

## 2.2 Preparation of Filings

- (a) As soon as is practicable following the execution of this Agreement, but in any event not later than May 9, 2025 or such other date as is agreed by the Parties, Saguaro shall apply

to the Court in a manner reasonably acceptable to Purchaser for the Interim Order, which must provide, among other things:

- (i) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
  - (ii) that each Saguaro Shareholder entitled to receive the Consideration pursuant to the Arrangement will have the right to appear before the Court so long as they enter an appearance within a reasonable time and in accordance with the procedures set out in the Interim Order;
  - (iii) that the required level of approval for the Arrangement Resolution shall be the holders of at least 66 $\frac{2}{3}$ % of the outstanding Saguaro Shares casting their votes in favor of the Arrangement Resolution by executing the Written Resolution and the record date for determining Saguaro Shareholders entitled to vote on the Written Resolution;
  - (iv) for the grant of the Dissent Rights to those Saguaro Shareholders who are registered Saguaro Shareholders as contemplated in the Plan of Arrangement, which Dissent Rights must provide that a Saguaro Shareholder's written objection to the Arrangement Resolution must be received by Saguaro by no later than 5:00 p.m. (Calgary time) on the date that is five (5) Business Days before the date of the Final Order;
  - (v) for the matters to be provided for in Section 2.12; and
  - (vi) for such other matters as a Party may reasonably require, subject to obtaining the prior consent of the Other Party, such consent not to be unreasonably, withheld, conditioned or delayed, and subject to the approval of the Court.
- (b) If the Interim Order is obtained and the Arrangement Resolution is approved by Written Resolution as provided for in the Interim Order, Saguaro shall take all reasonable steps necessary or desirable to submit the Arrangement to the Court and apply to the Court in a manner reasonably acceptable to Purchaser pursuant to section 193(4) of the ABCA for the Final Order, as soon as reasonably practicable but in any event not later than June 15, 2025 or such other date as is agreed by the Parties.
- (c) Saguaro and Purchaser shall cooperate and act in good faith in:
- (i) seeking the Interim Order and the Final Order, including by:
    - (A) Saguaro providing Purchaser on a timely basis any information required to be supplied by Saguaro concerning itself in connection therewith;
    - (B) Purchaser providing Saguaro on a timely basis any information required to be supplied by Purchaser concerning itself in connection therewith; and
    - (C) Saguaro shall provide Purchaser and legal counsel to Purchaser with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and shall give reasonable consideration to all such comments. Saguaro shall also

provide legal counsel to Purchaser on a timely basis with copies of any notice of appearance and evidence served on Saguaro or its legal counsel in respect of the application for the Interim Order and the Final Order or any appeal therefrom. Subject to Applicable Laws, Saguaro shall not file any material with the Court in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except with Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Purchaser to agree or consent to any increase in the consideration to be received by the Saguaro Shareholders or other modification or amendment to such filed or served materials that expands or increases Purchaser's obligations, or diminishes or limits Purchaser's rights, set forth in any such filed or served materials or under this Agreement;

- (ii) determining whether the transactions set out in this Agreement and any related transactions are required to be reported to any applicable Governmental Authority pursuant to section 237.3 or 237.4 of the Tax Act (or any provisions of similar effect) and, if so, any Party, or any adviser to a Party, that determines that a transaction is so required to be reported shall provide notice to the Other Party of such determination, and if any such transaction is mutually determined to be required to be so reported, each Party shall cooperate to make such filings on a timely basis; and
  - (iii) the taking of all such action as may be required under the ABCA, Applicable Canadian Securities Laws and U.S. Securities Laws in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.
- (d) Each of Saguaro and Purchaser shall promptly furnish to the Other Party all information concerning it as may be required for the effectuation of the actions described in Section 2.1 and the foregoing provisions of this Section 2.2, and each Party covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Arrangement and the other transactions contemplated by this Agreement will contain any misrepresentation at the time such information is filed with the Court or printed for distribution to the securityholders of the Parties, as the case may be.
- (e) No Party shall file any material with the Court in connection with the Arrangement or serve any such material or agree to modify or amend materials so filed or served except as contemplated hereby or with the prior written consent of the Other Party, such consent not to be unreasonably withheld, conditioned or delayed.

## 2.3 Employees and Independent Contractors

- (a) As soon as reasonably practicable, and no later than ten days prior to the Effective Date, Purchaser shall identify and confirm to Saguaro in writing which Employees and Independent Contractors are to have their employment or service, as applicable, terminated by Saguaro effective as of the Effective Date (the "**Terminated Personnel**").
- (b) Saguaro shall, consistent with Applicable Laws, terminate the employment or service of the Terminated Personnel effective and conditional on the Closing, and Saguaro shall pay

the Terminated Personnel at the Effective Time, in addition to the payment of all earned entitlements, such as accrued salary, accrued and unused vacation and reimbursable expenses, all required amounts in respect of or arising out of any pay in lieu of notice, severance, termination pay, change in control payment, cash bonuses or any similar-type of entitlement that are owed to such Terminated Personnel upon the termination of their employment or engagement on or prior to the Effective Date, and shall also pay all other Employee Obligations applicable to such Terminated Personnel. The payments by Saguaro to the Terminated Personnel, other than those payments required to be made pursuant to the employment standards legislation, shall only be made following the receipt by Saguaro of executed full and final releases (in a form satisfactory to Purchaser, acting reasonably) from the Terminated Personnel.

- (c) Purchaser shall cause Saguaro (or its corporate successor) to provide those Employees and Independent Contractors who are not Terminated Personnel (the "**Continuing Personnel**") with continued employment or service without interruption and on terms substantially similar in the aggregate to the terms such Continuing Personnel have with Saguaro immediately prior to Closing and as set out in the Saguaro Disclosure Letter. [Redacted – confidential compensation information].
- (d) [Redacted – confidential compensation information]
- (e) [Redacted – confidential compensation information]
- (f) Also for certainty, subject to the terms of this Agreement (i) all Employee Obligations shall be paid by Saguaro to all Terminated Personnel at the Effective Time, other than the Additional Saguaro Warrant Bonus which Saguaro shall be entitled to pay prior to the Effective Time; (ii) all Saguaro Retention Bonuses shall be paid to all Employees (including, for certainty, all Continuing Personnel) and directors of Saguaro at the Effective Time by Saguaro; (iii) [Redacted – confidential compensation information]
- (g) Any Employee or Independent Contractor of Saguaro who voluntarily resigns, is terminated by Saguaro for just cause, or any Independent Contractor who is terminated by Saguaro for fundamental breach prior to the Effective Date shall not be eligible for or entitled to, any amount on account of notice of termination, termination pay, bonus or severance pay for any reason, other than:
  - (i) earned entitlements, such as accrued salary, accrued and unused vacation and reimbursable expenses;
  - (ii) where Saguaro decides, acting reasonably, to settle any Claim related to cessation of employment or engagement of any Employee or Independent Contractor in exchange for a release of any such Claim; or
  - (iii) as otherwise required by any contractual terms (including the terms of any employment or service agreements or the Saguaro Warrants or Additional Saguaro Warrants, as may be applicable) or Applicable Laws.

All payments made to any Employee or Independent Contractor of Saguaro pursuant to this Section 2.3(f) will be included in Employee Obligations and included in the estimate of Employee Obligations provided by Saguaro in the Saguaro Disclosure Letter.

- (h) The Employee Information set forth in the Saguaro Disclosure Letter includes Saguaro's reasonable estimate of the Employee Obligations and includes reasonable supporting detail acceptable to Purchaser, acting reasonably.
- (i) The provisions of this Section 2.3 are intended for the benefit of, and shall be enforceable by, the Saguaro Third Party Beneficiaries in accordance with Section 10.10.

## **2.4 Indemnities, Directors' and Officers' Insurance**

- (a) Purchaser agrees that it and Saguaro and their respective successors shall not take any action to terminate or adversely affect, and will fulfill its obligations pursuant to, indemnities provided or available to or in favour of past and present officers and directors of Saguaro pursuant to the provisions of the articles, by-laws or other constating documents of Saguaro, applicable corporate legislation and all written indemnity agreements which have been entered into between Saguaro and its past and present officers and directors effective on or prior to the date hereof.
- (b) Prior to the Effective Date, Saguaro shall be entitled to secure "run off" directors' and officers' liability insurance for the past and present officers and directors of Saguaro covering claims made prior to, or within six (6) years after, the Effective Date in respect of claims arising from facts or events that occurred on or prior to the Effective Date which has a scope and coverage comparable, and no less favorable in the aggregate, in scope and coverage to that provided pursuant to Saguaro's current directors' and officers' insurance policy, provided that the cost of such insurance shall be included in the calculation of the Transaction Costs.
- (c) Purchaser agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Saguaro shall survive completion of the Arrangement and shall continue in full force and effect for a period of not less than six (6) years from the Effective Date. Purchaser agrees to not take or permit any action to be taken by or on behalf of Saguaro or any of its successors to terminate or adversely affect the directors' and officers' insurance secured in accordance with Section 2.4(b) and, without limiting the foregoing, if Saguaro or any of its successors amalgamates with another corporation or transfers all or substantially all of its properties and assets to any Person, Purchaser shall ensure that any resulting entity or assign assumes all of the obligations set forth in this Section 2.4 and acknowledges that such rights shall survive the Effective Time and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.
- (d) The provisions of this Section 2.4 are intended for the benefit of, and shall be enforceable by, the Saguaro Third Party Beneficiaries in accordance with Section 10.10.

## **2.5 Treatment of Saguaro Warrants and Additional Saguaro Warrants**

- (a) The Saguaro Disclosure Letter includes a list of all Saguaro Warrants outstanding on the date hereof and all Additional Saguaro Warrants expected to be issued including without limitation the following: (i) the names of each holder of Saguaro Warrants and the names of the individuals to whom Saguaro will issue Additional Saguaro Warrants prior to the Effective Time; (ii) the dates the Saguaro Warrants were granted and the date(s) the Additional Saguaro Warrants are expected to be granted and their respective dates of expiry; (iii) the number of Saguaro Warrants issued and the number of Additional Saguaro

Warrants that are expected to be issued; (iv) the exercise price(s) of such Saguaro Warrants and Additional Saguaro Warrants; and (v) the maximum number of Saguaro Shares issuable upon the exercise of such Saguaro Warrants and Additional Saguaro Warrants and the number of Saguaro Shares expected to be issued for all Saguaro Warrants and Additional Saguaro Warrants that are expected to be "in-the-money", in Saguaro's reasonable opinion based on the estimates set forth in Section 4.1(u), as applicable.

- (b) Saguaro shall provide Purchaser, concurrently with the delivery of the Closing Date Statement in accordance with Section 2.8(b), with written confirmation in final form of (i) the number of Additional Saguaro Warrants that have or will be issued by Saguaro (which, for greater certainty, Saguaro is permitted to issue) and (ii) the payment amount of the Additional Saguaro Warrant Bonus that has or will be paid by Saguaro (which, for greater certainty, Saguaro is permitted to pay).
- (c) Saguaro and Purchaser shall each use all commercially reasonable efforts to deliver the Saguaro Conditional Exercise and Surrender Agreements prior to the date of the Interim Order. The Saguaro Conditional Exercise and Surrender Agreements with respect to the Saguaro Warrants and Additional Saguaro Warrants will provide that the Saguaro Warrants and Additional Saguaro Warrants will be settled immediately prior to the Effective Time in the same manner as set forth in the Plan of Arrangement. All Saguaro Warrants and Additional Saguaro Warrants not subject to a Saguaro Conditional Exercise and Surrender Agreement or not settled prior to the Effective Time in accordance with a Saguaro Conditional Exercise and Surrender Agreement will be subject to the Plan of Arrangement.
- (d) Any exercise or surrender of the Saguaro Warrants or exercise of the Additional Saguaro Warrants, as applicable, shall be subject to any applicable withholding requirements and any payments made in respect of the exercise and/or surrender of Saguaro Warrants or Additional Saguaro Warrants, as applicable, shall be made net of any withholdings or deductions required by applicable Tax laws in such manner as may be determined by Saguaro and Purchaser acting reasonably.
- (e) The Parties acknowledge and agree that to the extent an amount is paid to a holder of Saguaro Warrants, including the issuance of Saguaro Shares pursuant to a Saguaro Warrant, and to the extent such holder would be able to claim a deduction pursuant to subsection 110(1)(d) of the Tax Act in respect of such Saguaro Warrant:
  - (i) Saguaro (or any successor of Saguaro) will (and Purchaser (or any successor of Purchaser) will cause Saguaro to) elect under subsection 110(1.1) of the Tax Act, in prescribed form, in respect of such Saguaro Warrant exercised pursuant to a Saguaro Conditional Exercise and Surrender Agreement or the terms of the Plan of Arrangement, as applicable, that neither Saguaro, nor any person who does not deal at arm's length with Saguaro (including, for greater certainty, Purchaser after the Effective Time), will deduct, in computing income for the purposes of the Tax Act, any amount in respect of a payment made (including the issuance of Saguaro Shares) to the holder of such Saguaro Warrant, in connection with the exercise of such Saguaro Warrant; and
  - (ii) Saguaro will provide the holder of such Saguaro Warrant with evidence in writing of such election under subsection 110(1.1) of the Tax Act.

## 2.6 Recommendation of Saguaro Board

- (a) The Saguaro Board has unanimously:
  - (i) determined that the Arrangement is fair to the Saguaro Shareholders from a financial point of view and is in the best interests of Saguaro;
  - (ii) resolved to unanimously recommend that Saguaro Shareholders vote for the Arrangement Resolution by executing the Written Resolution; and
  - (iii) authorized the entering into of this Agreement and the performance by Saguaro of its obligations hereunder,

and no action has been taken to amend or supersede such determinations, resolutions or authorizations.

- (b) The Saguaro Board has received an oral opinion to be subsequently confirmed in writing from ATB Securities, the financial advisor to Saguaro, that, as of the date of such opinion and subject to the assumptions, limitations and qualifications set out therein, the Consideration to be received by Saguaro Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Saguaro Shareholders.

## 2.7 Payment of Consideration

- (a) At the Closing, Purchaser shall, following receipt of the Final Order and prior to the filing of the Articles of Arrangement with the Registrar deposit, or cause to be deposited, with the Depositary an irrevocable direction for the issuance of a sufficient number of Consideration Shares as necessary to satisfy the aggregate Consideration to the Saguaro Shareholders and, if applicable, holders of Saguaro Warrants and Additional Saguaro Warrants as provided for in the Plan of Arrangement (other than with respect to Saguaro Shareholders who have exercised Dissent Rights) and any treasury directions addressed to the Depositary as may be necessary.
- (b) For greater certainty, this Section 2.7 is subject to Purchaser's and Saguaro's entitlement to deduct and withhold such amounts as Purchaser or Saguaro is required or reasonably believed to be required to deduct and withhold from such Consideration in accordance with applicable Tax laws and as further set forth in Section 2.9 of this Agreement.

## 2.8 Determination of Purchase Price; Delivery of Closing Date Statement

- (a) The aggregate purchase price payable by Purchaser shall be \$500,000,000 (the "**Base Purchase Price**") adjusted, as of the Effective Date, if the Net Debt is greater than zero, by decreasing the Base Purchase Price, on a dollar-for-dollar basis, by the aggregate amount that such Net Debt as of the Effective Date is greater than zero (such Base Purchase Price, as so adjusted, the "**Purchase Price**").
- (b) For purposes of determining the Purchase Price in accordance with Section 2.8(a), Saguaro shall deliver to Purchaser no later than five (5) Business Days prior to the Effective Date the Closing Date Statement. For the purposes of this Section 2.8(b) the "**Closing Date Statement**" means, collectively, an itemized statement, with supporting detail, calculating Net Debt before Transaction Costs and Employee Obligations as at the Effective Date

based on the audited statement of financial position of Saguaro as at December 31, 2024 (in compliance with IFRS), an updated summary of Net Debt on a monthly basis, with detailed monthly revenue and cost assumptions, commencing at January 1, 2025 and ending as at the Effective Date, and detailed Transaction Costs, detailed Employee Obligations and a detailed calculation of the payout and withholding tax obligations resulting from the cashless exercise of the Saguaro Warrants and Additional Saguaro Warrants, in each case calculated as of the Effective Date. The Closing Date Statement and all reasonably requested supporting documentation must be acceptable to Purchaser, acting reasonably.

- (c) Saguaro and Purchaser shall endeavour, acting reasonably and in good faith, to agree with respect to the calculation of the Closing Date Statement on or before the Effective Date. In the event that Saguaro and Purchaser are unable to resolve any dispute regarding the Closing Date Statement between themselves prior to the Effective Date, such dispute shall be referred to the Accounting Firm by the Parties, who will, acting as experts and not as arbitrators, make a determination regarding the matters in dispute with instructions from the Parties to do so as soon as reasonably practicable. In the event that the Accounting Firm is unable to make a determination regarding the matters in dispute on or prior to the Effective Date, the Parties agree the Effective Date shall be automatically extended, without any further action by any Party, until the date that is one (1) Business Day after the day on which the Accounting Firm makes that determination (and the Effective Date will be amended to be such date for all purposes of this Agreement). For the purposes of this Section 2.8, the Accounting Firm shall determine all procedural and, subject to Section 2.8(f), other matters relating to the dispute and a decision of the Accounting Firm shall be final and binding and not subject to appeal. Saguaro and Purchaser will make readily available to the Accounting Firm all relevant books and records and all other items and information reasonably requested by the Accounting Firm.
- (d) Saguaro and Purchaser shall each bear their own fees and expenses, including the fees and expenses of their respective auditors, in preparing or reviewing, as the case may be, the calculation of the Closing Date Statement. In the case of a dispute and the retention of the Accounting Firm to determine such amount(s) in dispute, the costs and expenses of the Accounting Firm will be borne by Saguaro and Purchaser in such proportions as the positions taken by each of Saguaro and Purchaser are successful when compared to the Closing Date Statement as determined by the Accounting Firm. However, Saguaro and Purchaser shall each bear their own costs in presenting their respective cases to the Accounting Firm.
- (e) The Parties agree that the procedure set forth in this Section 2.8 for resolving disputes with respect to the Closing Date Statement is the sole and exclusive method of resolving such disputes, absent manifest error by the Accounting Firm. Without limiting Section 6.4 of this Agreement, this Section 2.8(e) will not prohibit any Party from instigating litigation to compel specific performance of this Section 2.8 or to enforce the determination of the Accounting Firm.
- (f) Notwithstanding the foregoing paragraphs (c) through (e) of this Section 2.8, the determination of the Accounting Firm shall not include determination as to the inclusion of specific line items used to calculate the Net Debt in the Closing Date Statement that are not in dispute and shall be limited to determination of the applicable amounts only to the extent those amounts or related calculations are in dispute.



## **2.9 Tax Withholdings**

Saguaro and Purchaser shall be entitled to deduct and withhold from any consideration otherwise payable to any Saguaro Shareholder or holder of Saguaro Warrants and Additional Saguaro Warrants under the Plan of Arrangement, such amounts as Saguaro or Purchaser is required or reasonably believed to be required to deduct and withhold from such consideration in accordance with applicable Tax laws. Any such amounts will be deducted and withheld from the Consideration payable pursuant to the Plan of Arrangement or any agreement governing the exercise, payment or other disposition, as the case may be, of the Saguaro Warrants and Additional Saguaro Warrants in accordance with this Agreement, and shall be treated for all purposes as having been paid to the Saguaro Shareholder or holder of Saguaro Warrants or Additional Saguaro Warrants in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority. Any of Saguaro or Purchaser is authorized to sell or otherwise dispose of any shares issuable in accordance with this Agreement, the Plan of Arrangement, or any agreement governing the exercise, payment or other disposition, as the case may be, of the Saguaro Warrants or Additional Saguaro Warrants, as is necessary to provide sufficient funds to Saguaro or Purchaser, as the case may be, to enable it to comply with all deduction or withholding requirements applicable to it, and none of Saguaro or Purchaser shall be liable to any Person for any deficiency in respect of any proceeds received, and Saguaro or Purchaser, as applicable, shall notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

## **2.10 Notice of Written Resolution**

As promptly as practical following the execution of this Agreement, and in compliance with Applicable Laws:

- (a) Saguaro shall prepare a notice of written resolution to be provided to each Saguaro Shareholder and each holder of Saguaro Warrants and Additional Saguaro Warrants (the "**Notice of Written Resolution**");
- (b) Saguaro shall prepare the Notice of Written Resolution and other relevant documentation (including, but not limited to, a letter of transmittal, a copy of the Written Resolution as well as a copy of this Agreement), in consultation with Purchaser, and Saguaro shall ensure that the Notice of Written Resolution provides Saguaro Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them; and
- (c) as promptly as reasonably practicable after obtaining the Interim Order, and in any event not later than May 9, 2025, Saguaro shall cause the Notice of Written Resolution to be mailed and, to the extent possible, emailed to the Saguaro Shareholders and each holder of Saguaro Warrants and Additional Saguaro Warrants.

## **2.11 Arrangement Resolution**

- (a) Saguaro has, concurrent with the signing of this Agreement, delivered to Purchaser the Written Resolution, as executed by Saguaro Shareholders holding greater than 66.67% of the then outstanding Saguaro Shares.
- (b) Saguaro agrees that it shall use all commercially reasonable efforts to obtain an executed Written Resolution from the remaining Saguaro Shareholders.

## **2.12 Applicable U.S. Securities Laws**

The Parties agree that the Arrangement will be structured and executed such that assuming the Arrangement Resolution is approved and the Final Order is obtained, the issuance of the Purchaser Shares issuable under the Arrangement to the Saguaro Shareholders (including, for certainty, Saguaro Shareholders who are former holders of Saguaro Warrants and Additional Saguaro Warrants) will be issued by Purchaser in reliance on the exemption from the registration requirement of the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions under applicable state securities laws. Each Party agrees to act in good faith, consistent with the intent of the Parties and the intended treatment of the Arrangement as set out in this Section 2.12.

## **ARTICLE 3 COVENANTS**

### **3.1 Covenants of Saguaro**

Saguaro covenants and agrees that, from the date of this Agreement until the earlier of the Effective Date or termination of this Agreement in accordance with Article 8, except: (A) with the prior written consent of Purchaser; (B) as set forth in the Saguaro Disclosure Letter and in accordance with this Agreement (including, without limitation, the payment of Authorized Capital Expenditures, the issuance of the Additional Saguaro Warrants, payment of the Additional Saguaro Warrant Bonus, payment of the Saguaro Retention Bonuses, Employee Obligations and Transaction Costs, entering into of the Saguaro Conditional Exercise and Surrender Agreements and the terms of the Shareholder Agreement); (C) the termination of the Share Buy-Back Agreements, which the Purchaser expressly consents to immediately prior to the Effective Time; (D) as otherwise expressly permitted or specifically contemplated by this Agreement (including, without limitation, the Plan of Arrangement and execution of the Written Resolution); (E) as required by Applicable Laws; (F) as required for the preservation of human life or the prevention of human injury; (G) as required for the protection, reclamation, remediation or restoration of the environment or property; or (H) any other situation reasonably deemed to be an "emergency":

- (a) Saguaro will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Sections 5.1 and 5.3 as soon as practicable, to the extent the satisfaction of the same is within the control of Saguaro;
- (b) Saguaro shall conduct its business only in the Ordinary Course of Business and it shall consult with Purchaser in respect of its ongoing business and affairs and keep Purchaser apprised of all material developments relating thereto;
- (c) Saguaro shall not make any capital expenditures other than the Authorized Capital Expenditures;
- (d) Saguaro shall not do or permit to occur any of the following:
  - (i) amend its constituting documents;
  - (ii) amend its existing accounting policies, practices, methods and principles or adopt new accounting principles, in each case, except as required by IFRS;
  - (iii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares;

- (iv) issue (other than on exercise or conversion of any Saguaro Warrants currently outstanding or any Additional Saguaro Warrants to be issued prior to the Effective Time), grant, sell or pledge or agree to issue, grant, sell or pledge any shares or other securities of Saguaro, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Saguaro;
- (v) redeem, purchase or otherwise acquire any outstanding Saguaro Shares or its other securities;
- (vi) amend the terms of any of its securities, including the Saguaro Warrants and Additional Saguaro Warrants other than to accelerate the vesting of any unvested Saguaro Warrants and Additional Saguaro Warrants in accordance with this Agreement;
- (vii) split, combine or reclassify any of its securities;
- (viii) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Saguaro;
- (ix) reduce the stated capital of Saguaro or any of the outstanding Saguaro Shares or any other shares of Saguaro;
- (x) sell, pledge, lease, exclusively license, transfer, dispose of or encumber any assets other than the sale of petroleum substances in the Ordinary Course of Business (and for certainty, Ordinary Course of Business includes the sale of petroleum substances pursuant to Marketing and Midstream Agreements and other sale arrangements in place as of the date hereof that can be terminated on 31 days or less notice without penalty or payment);
- (xi) surrender, release, abandon the whole or any part of the assets of Saguaro (excluding abandonment and reclamation activities in the Ordinary Course of Business and oil and gas lease expiries);
- (xii) expend, commit to expend or otherwise incur any liabilities in excess of [Redacted – amount] individually and [Redacted – amount] in the aggregate other than in the Ordinary Course of Business;
- (xiii) reorganize, amalgamate, merge or otherwise combine Saguaro with any other Person;
- (xiv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer;
- (xv) acquire any assets having, in the case of a single transaction, a value in excess of [Redacted – amount], or having, in the case of a series of transactions, a value in excess of [Redacted – amount] in the aggregate;

- (xvi) incur, extend, renew or replace any indebtedness for borrowed money, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or Person, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors which are included in the Transaction Costs and other than in the Ordinary Course of Business or as contemplated herein, including in respect of Saguaro carrying out the terms, conditions and covenants contemplated herein as applicable to it;
  - (xvii) pay, settle, discharge or satisfy any Claims in excess of [Redacted – amount] individually and [Redacted – amount] in the aggregate other than as reflected or reserved against in the Saguaro Financial Statements or in the Ordinary Course of Business;
  - (xviii) authorize, recommend or propose any release or relinquishment of any right accruing to Saguaro under any Saguaro Material Contract;
  - (xix) waive, release, grant or transfer any rights of value or modify or change in any material respect any existing license, lease, production sharing agreement, government land concession or other similar material document;
  - (xx) enter into, amend or terminate any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 31 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions;
  - (xxi) enter into any contracts or transactions with any Saguaro Related Party;
  - (xxii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with the terms of this Agreement, which might directly or indirectly materially interfere with or adversely affect the consummation of the Arrangement; or
  - (xxiii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (e) other than the payment of amounts contemplated by Section 2.3 and Section 2.4(b), Saguaro shall not adopt, amend or terminate, or otherwise make any contribution to, any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of current or former employees, officers, directors, or independent contractors, including for clarity the Saguaro Plans, or authorize or propose any of the foregoing, except as is necessary to comply with the Applicable Law or with respect to existing provisions of any Saguaro Plans that have been disclosed pursuant to Section 4.1(bb);

- (f) other than the payment of amounts contemplated by Section 2.3 and Section 2.4(b), Saguaro shall not: grant any officer or director an increase in compensation in any form; grant any general salary increase; take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees (other than to seek a waiver thereof); adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or any other equity compensation plan or instrument; advance any loan to any officer, director or any other party not at arm's length; make any payment to any director or officer outside of their ordinary and usual compensation for services provided to Saguaro; hire or terminate any officers except the hiring of officers to replace voluntary resignations, or as otherwise contemplated hereby; or enter into any material consulting contract that cannot be terminated on 31 days or less notice without penalty, or alone, or in the aggregate with any other consulting contract, would create an obligation in excess of [Redacted – amount];
- (g) Saguaro shall withhold from any payment made to any of its Employees or former employees, officers or directors in respect of any payments, whether contemplated by this Agreement or otherwise, including, without limitation, in connection with the exercise, settlement, cancellation or surrender of any incentive awards (including any Saguaro Warrants and Additional Saguaro Warrants) and payment of the Employee Obligations, all amounts required by Applicable Law to be withheld by it on account of Taxes;
- (h) Saguaro shall use all commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and shall pay all premiums in respect of such insurance policies that become due prior to the Effective Date;
- (i) Saguaro shall use its commercially reasonable efforts to receive and deliver to Purchaser releases, in form and substance satisfactory to Purchaser and Saguaro, from all Terminated Personnel (effective as of the Effective Time);
- (j) Saguaro shall use its commercially reasonable efforts to deliver to Purchaser written evidence of the termination, in form and substance satisfactory to Purchaser, of the third amended and restated registration rights agreement made as of December 18, 2013 among Saguaro, Huaros, Camcor, OPTrust Energy Fund I Inc., Sabertooth Resources S.à r.l., NB Alternatives Luxembourg (Saguaro) S.à r.l., Red Alvarado LLC and LCP (Overseas) Financial Holdings, S.à r.l. effective as of the Effective Time;
- (k) Saguaro shall promptly notify Purchaser in writing of any change in any representation or warranty provided by Saguaro in this Agreement which change is or may be of such a nature to render any representation or warranty untrue in any material respect and Saguaro shall in good faith discuss with Purchaser any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Saguaro threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Purchaser pursuant to this provision;

- (l) Saguaro shall not take any action, or fail to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by Saguaro in this Agreement untrue in any material respect;
- (m) Saguaro shall use all commercially reasonable efforts to preserve intact its business organizations and goodwill and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;
- (n) Saguaro shall promptly notify Purchaser of any Material Adverse Change in respect of Saguaro whether actual, or, to the knowledge of Saguaro, anticipated, contemplated or threatened;
- (o) unless otherwise approved by Purchaser, Saguaro shall ensure that it has access to available funds to permit the payment of the Purchaser Termination Fee having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if required;
- (p) except for non-substantive communications with third parties and communications to legal and other advisors of Saguaro, Saguaro will furnish promptly to Purchaser and its counsel:
  - (i) a copy of each notice, report, schedule or other document delivered, filed or received by Saguaro from a Governmental Authority in connection with the Arrangement; (ii) any filings under Applicable Laws in connection with the Arrangement, if applicable; and (iii) any documents related to dealings with Governmental Authorities in connection with the transactions contemplated herein;
- (q) Saguaro will promptly advise Purchaser of any written notice of dissent or purported exercise of Dissent Rights received by Saguaro in relation to the Arrangement and any withdrawal of Dissent Rights received by Saguaro;
- (r) Saguaro shall make all necessary filings and applications pursuant to Applicable Laws required to be made on the part of Saguaro in connection with the transactions contemplated by this Agreement and in accordance with this Agreement and shall take all commercially reasonable action necessary to be in compliance with such Applicable Laws;
- (s) Saguaro will furnish promptly to Purchaser and its legal counsel any requests from any Governmental Authority or other regulatory authority for any information in respect of the business, operations, financial condition or assets of Saguaro or any third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Saguaro or its properties or assets in a material way;
- (t) Saguaro shall ensure that Purchaser and its counsel shall be given a reasonable opportunity to review and comment on drafts of the Notice of Written Resolution and reasonable consideration shall be given to any comments thereon made by Purchaser and its counsel, provided that all Purchaser Information included in the Notice of Written Resolution shall be in form and content satisfactory to Purchaser, acting reasonably;
- (u) Saguaro shall:
  - (i) duly and on a timely basis file all Tax Returns required to be filed by it prior to the Effective Date and ensure all such Tax Returns are true, complete and correct in all material respects;

- (ii) timely pay all Taxes which are due and payable by it before the Effective Date and make all required withholdings and remittances in respect of Taxes unless validly contested;
  - (iii) not take any action in respect of any Tax Return where the result of such action is inconsistent with past practice or the Applicable Laws relating to Taxes;
  - (iv) not file any material amended Tax Returns or make any material Tax filings outside the Ordinary Course of Business, except as required by Applicable Law;
  - (v) not enter into any Tax sharing, Tax allocation or Tax indemnification agreement;
  - (vi) not make a request for a ruling or decision from, or enter into any agreement with, any Governmental Authority relating to a material amount of Taxes;
  - (vii) not settle (or offer to settle) any claim, audit, re-assessment, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to a material amount of Taxes;
  - (viii) not, directly or indirectly, reduce the amount, or amend the characterization, of any of its individual categories of Tax Pools or any other tax attributes, other than as a result of transactions in the Ordinary Course of Business, or as required by Applicable Law;
  - (ix) not make any changes in financial or Tax accounting methods, principles, policies or practices, except as required by IFRS or under Applicable Laws; and
  - (x) properly reserve (and reflect such reserves in its books and records and financial statements) in a manner consistent with past practice, and in accordance with IFRS and Applicable Laws relating to Taxes, for all Taxes accruing in respect of Saguaro which are not due or payable prior to the Effective Date; and
- (v) Saguaro will use commercially reasonable efforts to (i) maintain sufficient liquidity to satisfy its financial obligations as they become due including the payment of the Employee Obligations and Transaction Costs and (ii) facilitate obtaining a customary payout letter from ATB Financial in respect of the repayment and cancellation of the Saguaro Credit Agreement and a release and discharge of the Encumbrances granted by Saguaro in connection with such repayment and cancellation, in each case as reasonably requested by Purchaser.

### **3.2 Covenants of Purchaser**

Purchaser covenants and agrees that, from the date of this Agreement until the earlier of the Effective Date or termination of this Agreement in accordance with Article 8, except with the prior written consent of Saguaro, except as otherwise expressly permitted or specifically contemplated by this Agreement (including the Plan of Arrangement) or required by Applicable Laws:

- (a) Purchaser will use its reasonable commercial efforts to satisfy or cause the satisfaction of the conditions set forth in Sections 5.1 and 5.2 as soon as practicable, to the extent that the satisfaction of the same is within the control of Purchaser;

- (b) Purchaser, as operator of the Joint Assets, will operate the Joint Assets only in accordance with the 2025 Development Plan and the 2025 Operating Budget and will not require or request, in any fashion, whether by authorization for expenditure or otherwise, Saguaro to expend any capital on any of such Joint Assets other than the Authorized Capital Expenditures;
- (c) without limitation to Section 3.2(b), Purchaser will not accelerate the timing for the planned drilling, completion, equipping/tie-in or other miscellaneous infrastructure expenditures, as outlined and scheduled in the 2025 Development Plan or 2025 Operating Budget, to any earlier time;
- (d) Purchaser shall not do or permit to occur any of the following:
  - (i) amend the terms of any of the Purchaser Shares;
  - (ii) split, combine or reclassify any of the Purchaser Shares;
  - (iii) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Purchaser;
  - (iv) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with the terms of this Agreement, which might directly or indirectly materially interfere with or adversely affect the consummation of the Arrangement; or
  - (v) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (e) Purchaser shall not take any action, or fail to take any action, that would render, or may reasonably be expected to render, any representation or warranty made by Purchaser in this Agreement untrue in any material respect;
- (f) Purchaser shall promptly notify Saguaro in writing of any change in any representation or warranty provided by Purchaser in this Agreement which change is or may be of such a nature to render any representation or warranty untrue in any material respect and Purchaser shall in good faith discuss with Saguaro any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Purchaser threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Saguaro pursuant to this provision;
- (g) except for non-substantive communications with third parties and communications to legal and other advisors of Purchaser, Purchaser will furnish promptly to Saguaro and its counsel: (i) a copy of each notice, report, schedule or other document delivered, filed or received by Purchaser from a Governmental Authority in connection with the Arrangement; (ii) any filings under Applicable Laws in connection with the Arrangement; and (iii) any documents related to dealings with Governmental Authorities in connection with the transactions contemplated herein;
- (h) Purchaser shall promptly notify Saguaro of any Material Adverse Change in respect of Purchaser whether actual, or, to the knowledge of Purchaser, anticipated, contemplated or threatened;



- (i) Purchaser shall promptly advise Saguaro in writing of any material breach by Purchaser of any covenant, obligation or agreement contained in this Agreement;
- (j) Purchaser shall make all necessary filings and applications under Applicable Laws required including Applicable Canadian Securities Laws and U.S. Securities Laws to be made on the part of Purchaser in connection with the transactions contemplated by this Agreement and shall take all commercially reasonable action necessary to be in compliance with such Applicable Laws;
- (k) Purchaser will use its reasonable commercial efforts to obtain the TSX Approval prior to the Effective Time;
- (l) Purchaser will continue to maintain its status as a "reporting issuer" (or similarly designated entity) not in default under the securities legislation in force in all provinces of Canada where it is a reporting issuer as at the date hereof;
- (m) Purchaser will maintain the listing of the Purchaser Shares on the TSX; and
- (n) Purchaser will cause to be delivered to the Depositary in trust prior to the Effective Time a treasury direction authorizing the Depositary upon the completion of the Arrangement to issue the Consideration Shares to the holders of Saguaro Shares in accordance with a duly completed, executed and delivered Letter of Transmittal to the Depositary, the terms of the Depositary Agreement and the Plan of Arrangement.

Nothing in this Agreement shall limit either Parties' rights and obligations under authorizations for expenditures or other forms of requests for capital expenditures (and under the applicable operating agreements) that are required, delivered or requested in compliance with Section 3.2(b) and Section 3.2(c).

### **3.3 Mutual Covenants Regarding the Arrangement**

- (a) From the date of this Agreement until the earlier of the Effective Date or the termination of this Agreement, each of Saguaro and Purchaser will use all commercially reasonable efforts to: (A) satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder; (B) not take, or cause to be taken, any action or cause anything to be done that would cause such obligations not to be fulfilled in a timely manner; and (C) take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using all commercially reasonable efforts:
  - (i) to obtain the Competition Act Approval and all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
  - (ii) to effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement;
  - (iii) to oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate the Arrangement and to defend, or cause to be defended, any proceedings to which it is a party or

brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby; and

- (iv) to reasonably cooperate with the Other Party and their tax advisors in structuring the Arrangement and any other transactions contemplated to occur in conjunction with the Arrangement in a tax effective manner, and assist the Other Party and its tax advisors in making such investigations and inquiries with respect to such Party in that regard, as the Other Party and their tax advisors shall consider necessary, acting reasonably, provided that such Party shall not be obligated to consent or agree to any structuring or transaction that has the effect of, in the case of Saguaro, reducing or, in the case of Purchaser, increasing, the consideration to be received under the Arrangement.
- (b) In connection with the Competition Act Approval:
- (i) Within five (5) Business Days following the date of this Agreement, or such other date as the Parties agree, Purchaser shall, with the assistance of and in consultation with Saguaro, prepare and file with the Commissioner a request for an ARC or, in the alternative, a No Action Letter, in respect of the transactions contemplated by this Agreement. Saguaro shall furnish to Purchaser such information and assistance as Purchaser may reasonably request in order to prepare and file such request for an ARC. If requested by Saguaro or Purchaser, each acting reasonably, each of Saguaro and Purchaser shall each file with the Commissioner a notification under Part IX of the Competition Act within ten (10) Business Days following receipt of such request.
  - (ii) Each Party shall, and shall cause its respective controlled affiliates to, use its reasonable commercial efforts to obtain the Competition Act Approval as soon as reasonably practicable, but in any event no later than three (3) Business Days prior to the Outside Date. Notwithstanding the foregoing, in no circumstances will Purchaser be required to agree to any hold separate arrangements, the divestiture of assets or any behavioral remedy, whether under a consent agreement or otherwise.
  - (iii) In connection with obtaining the Competition Act Approval, subject to Applicable Law, each Party shall, and shall cause its affiliates to: (A) cooperate with the Other Party and provide such information and assistance to the Other Party as the Other Party may reasonably request in connection with obtaining the Competition Act Approval; (B) respond as soon as reasonably practicable to any requests for information (including in respect of any submissions or supplementary information requests) or requests for meetings by any Governmental Authority; (C) permit the Other Party an advance opportunity to review and comment upon any proposed written communications to any Governmental Authority, consider in good faith the comments of the Other Party, and provide the Other Party with final copies thereof; (D) not participate in any substantive meeting or discussion (whether in person, by e-mail, by telephone or otherwise) with any Governmental Authority unless it consults with the Other Party in advance and gives the Other Party the reasonable opportunity to attend and participate (except where the Governmental Authority expressly requests that a Party should not be present at the meeting or discussion or part or parts of the meeting or discussion); and (E) keep the Other Party informed of the status of the Competition Act Approval and

promptly notify the Other Party of receipt of any communications (oral or written) of any nature from a Governmental Authority and provide the Other Party with copies thereof.

- (iv) Notwithstanding any requirement in this Agreement, where a Party is required to provide information to the Other Party that the disclosing Party deems to be competitively sensitive, the disclosing Party may restrict the provision of such competitively sensitive information only to the external legal counsel of the Other Party, provided that the disclosing Party also provides a redacted version of any such information to the Other Party.
- (v) All applicable filing fees payable under the Competition Act in connection with the Competition Act Approval shall be shared equally between Purchaser and Saguaro.

Each of Saguaro and Purchaser will cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 and this Agreement.

### **3.4 Covenants of Saguaro Regarding Non-Solicitation**

- (a) Saguaro shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any Representatives or other parties retained by Saguaro on its behalf), with any parties (other than Purchaser) with respect to any proposal that constitutes, or may reasonably be expected to constitute or lead to an Acquisition Proposal. Saguaro shall not amend, modify, waive, release or otherwise forbear in the enforcement of, and shall use all commercially reasonable efforts to enforce, any confidentiality, non-solicitation or standstill or similar agreements or provisions to which it and any third parties are parties. Saguaro shall discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request, to the extent that it is entitled to do so, and exercise all rights it has to require, the return or destruction of all confidential information provided to any third parties who have entered into a confidentiality or similar agreement with Saguaro relating to an Acquisition Proposal and shall request (and exercise all rights to require) the return or destruction of all material including or incorporating or otherwise reflecting any material confidential information regarding it and shall use all commercially reasonable efforts to ensure that such requests are honoured.
- (b) Saguaro shall not, directly or indirectly, do or authorize or permit any of its officers, directors or any financial advisor or other Representative retained by it to do, any of the following:
  - (i) solicit, assist, initiate, encourage or in any way knowingly facilitate (including by way of furnishing information, or access to properties, facilities or books and records), the making of any proposal or offer that constitutes or may constitute, or may reasonably be expected to lead to, an Acquisition Proposal or inquiries, proposals or offers regarding an Acquisition Proposal;
  - (ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish or provide to any other Person any information, including with respect to its businesses, properties, assets, securities, liabilities, operations,

prospects or condition (financial or otherwise), in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;

- (iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements relating to an Acquisition Proposal, including, without limitation, any "**standstill**" or similar provisions thereunder;
  - (iv) accept, recommend, approve, agree to, enter into or endorse, or propose publicly to accept, recommend, approve, agree to, enter into or endorse, any Acquisition Proposal or agreement, understanding or arrangement in relation thereto; or
  - (v) withdraw, amend, modify or qualify, or propose to withdraw, amend, modify or qualify, in any manner adverse to Purchaser, the approvals, determinations and recommendations of the Saguaro Board as set forth in Section 2.6.
- (c) Saguaro shall promptly (and in any event within 24 hours of the receipt thereof) notify Purchaser of any Acquisition Proposal that is, in the reasonable opinion of the Saguaro Board, *bona fide* in all material respects (or any amendment thereto) or any request for non-public information relating to Saguaro or its assets in connection with an Acquisition Proposal that is, in the reasonable opinion of the Saguaro Board, *bona fide* in all material respects, or any amendments to the foregoing. Such notice shall include a copy of any written Acquisition Proposal (and any amendment thereto) which has been received or, if no written Acquisition Proposal has been received, a description of the material terms and conditions of, and the identity of the Person making, any inquiry, proposal, offer or request. Saguaro shall keep Purchaser promptly and fully informed of each change in the proposed consideration to be offered pursuant to such Acquisition Proposal and of each material change in any of the terms of such Acquisition Proposal and shall provide to Purchaser copies of all correspondence with the Person making such Acquisition Proposal, with respect to such Acquisition Proposal or proposal, inquiry, offer or request if in writing or in electronic form, and if not in writing or in electronic form, a description of the terms of such correspondence. Purchaser agrees that the making of any of the foregoing disclosures by Saguaro to Purchaser shall not constitute a breach or violation by Saguaro in any form or of any type whatsoever of any representation, warranty, covenant, term or condition hereunder.
- (d) Each of Saguaro and Purchaser agree that all information that may be provided to Purchaser by Saguaro with respect to any Acquisition Proposal pursuant to this Section 3.4 shall be treated as if it were "Evaluation Material" as that term is defined in the Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.
- (e) Notwithstanding Sections 3.4(a) and 3.4(b) and any other provision of this Agreement, if at any time following the date of this Agreement, provided that Saguaro is then in compliance with all of its obligations under this Agreement (including under Sections 3.4(a) and 3.4(b)), Saguaro receives a *bona fide* unsolicited written Acquisition Proposal that is a Superior Proposal, then the Saguaro Board may do any or all of the following:

- (i) advise the Saguaro Shareholders of the receipt by Saguaro of any such Superior Proposal and all material terms and conditions thereof;
- (ii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Purchaser, the determination of the Saguaro Board set out in Section 2.6(a)(i); or
- (iii) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Purchaser, the recommendation of the Saguaro Board or any relevant committee thereof of this Agreement or the Arrangement set out in Section 2.6(a)(ii).

provided that in no circumstances is Saguaro permitted or able to enter into any agreement with any Person relating to any Acquisition Proposal and including an Acquisition Proposal that is a Superior Proposal.

- (f) Saguaro shall ensure that its Representatives retained by it are aware of the provisions of this Section 3.4 and shall be responsible for any breach of this Section 3.4 by any of them.
- (g) Nothing in this Agreement shall prevent the Saguaro Board from complying with section 2.17 of NI 62-104 of the Canadian Securities Administrators and similar provisions under Applicable Canadian Securities Laws relating to the provision of directors' circulars in respect of an Acquisition Proposal.

### **3.5 Provision of Information; Access**

Until the Effective Date or termination of this Agreement, upon reasonable notice to Saguaro, Saguaro shall provide Purchaser and its officers, employees and external legal counsel access, during normal business hours and at such other time or times as Purchaser may reasonably request, to its premises, Employees and management personnel and shall furnish to Purchaser all information concerning its business, properties and personnel as Purchaser may reasonably request, which information shall remain subject to the Confidentiality Agreement, in order to permit Purchaser to be in a position to expeditiously and efficiently integrate the business and operations of Saguaro immediately upon but not prior to the Effective Date. Notwithstanding the above, Saguaro shall not be required to provide such access or furnish such information to the extent that Saguaro believes, in its reasonable good faith judgment, that doing so would: (a) result in the loss of attorney-client, work product or other privilege; (b) result in the disclosure of any trade secrets of third parties or violate any obligations of Saguaro with respect to confidentiality to any third party, or otherwise breach, contravene or violate any such effective Contract to which Saguaro is a party; or (c) breach, contravene or violate any Applicable Law, provided that, Saguaro acknowledges and agrees that Purchaser's external counsel may have access to such information on a privileged and confidential basis in connection with obtaining the Competition Act Approval and TSX Approval.

### **3.6 Provision of Additional Information**

- (a) Not later than five (5) Business Days before the Effective Date, Saguaro shall provide to Purchaser its final ESTMA report for the year ended December 31, 2024.
- (b) Not later than five (5) Business Days before the Effective Date, Saguaro shall provide to Purchaser its final report for the year ended December 31, 2024 required to be filed pursuant to the applicable Modern Slavery Laws.

- (c) As soon as reasonably practical following the entering into of this Agreement and not later than five (5) Business Days before the Effective Date, Saguaro shall provide to Purchaser final versions approved by the Saguaro Board of Saguaro's unaudited financial statements, together with the notes thereto and related management's discussion and analysis as at and for the three (3) months ended March 31, 2025.
- (d) Not later than ten (10) days following the date of this Agreement, if not otherwise included in the Saguaro Disclosure Letter, Saguaro shall provide to Purchaser job position descriptions for each (i) full time, part time or casual Employee of Saguaro; and (ii) Independent Contractor.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES**

#### **4.1 Representations and Warranties of Saguaro**

Saguaro represents and warrants to and in favour of Purchaser and acknowledges that Purchaser is relying upon such representations and warranties in connection with the matters contemplated by this Agreement and the consummation of the Arrangement:

- (a) Organization and Qualification: Saguaro is a corporation duly organized and validly subsisting under the Applicable Laws of the Province of Alberta and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as now conducted. Saguaro is duly registered or authorized to conduct its affairs or do business, as applicable, and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, operated, licensed or otherwise held, or the nature of its activities makes such registration or authorization necessary, except where the failure to have such standing which, if not in place, would not, individually or in the aggregate, significantly impede the ability of Saguaro to consummate the Arrangement or be materially adverse to the business of Saguaro, taken as a whole. Copies of the constating documents of Saguaro have been provided to Purchaser, together with all amendments to date, and are accurate and complete as of the date hereof and have not been amended or superseded.
- (b) Authority Relative to this Agreement: Saguaro has the requisite corporate power and authority to execute this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Saguaro of the transactions contemplated by the Arrangement has been duly authorized by the Saguaro Board and approved by Saguaro Canada Holdings ULC under the Shareholder Agreement and, subject to the obtaining of the Interim Order, the Final Order and the filing of the Articles of Arrangement with the Registrar, no other proceedings on the part of Saguaro are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Saguaro and constitutes a legal, valid and binding obligation of Saguaro enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (c) Subsidiaries: Saguaro has no subsidiaries.

- (d) No Restrictions: Except as disclosed in the Saguaro Disclosure Letter and as set out in the Shareholder Agreement, there are no pre-emptive rights, rights of first refusal and similar rights restricting transfer of the Saguaro Shares contained in any shareholders, partnership, joint venture or similar agreement to which Saguaro is a party or pursuant to any existing financing arrangements and there are no outstanding contractual or other obligations of Saguaro to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities.
- (e) No Violations: Except as contemplated by this Agreement:
  - (i) except as disclosed in the Saguaro Disclosure Letter, neither the execution and delivery of this Agreement by Saguaro nor the consummation of the transactions contemplated by the Arrangement nor compliance by Saguaro with any of the provisions hereof will:
    - (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Saguaro or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of: (1) articles or by-laws of Saguaro; or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust agreement, lien, contract or other instrument or obligation to which Saguaro is a party or to which it, or any of its properties or assets, may be subject or by which Saguaro is bound;
    - (B) subject to compliance with applicable statutes and regulations, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Saguaro or any of its properties or assets; or
    - (C) cause the suspension or revocation of any authorization, consent, approval, license or Governmental Authorization currently in effect; and
  - (ii) other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement, and except for Competition Act Approval, the obtaining of the Interim Order, the Final Order and filing with the Registrar pursuant to subsection 193(4.1) of the ABCA:
    - (A) there is no legal impediment to Saguaro's consummation of the Arrangement; and
    - (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Saguaro in connection with the consummation of the Arrangement.
- (f) Litigation: Except as disclosed in the Saguaro Disclosure Letter, there are no claims, actions, suits, proceedings, investigations, arbitrations, audits, grievances, assessments or

reassessments in existence or, to the knowledge of Saguaro, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to materially adversely affect Saguaro or that would reasonably be expected to materially adversely affect any of its properties or assets at law or in equity or before or by any court or Governmental Authority.

(g) Taxes: Except as disclosed in the Saguaro Disclosure Letter:

- (i) all Tax Returns required to be filed by or on behalf of Saguaro have been duly filed on a timely basis and all such Tax Returns are true, complete and correct in all material respects; and no extension of time in which to file any such Tax Returns is in effect;
- (ii) all material Taxes or instalments of material Taxes payable in respect of Saguaro's Tax Returns, or on subsequent assessments or reassessments with respect thereto, have been paid in full on a timely basis, whether or not such Taxes are shown on a Tax Return or any assessments or reassessments;
- (iii) Saguaro has not applied for, claimed or received a material refund of Tax (or material amount that is deemed for purposes of the Tax Act to be an overpayment of Tax) to which it was not entitled pursuant to Applicable Laws;
- (iv) no notices of determination of loss from the Canada Revenue Agency to Saguaro have been requested by or issued to Saguaro; and Saguaro has not requested, received or entered into any advance Tax rulings or advance pricing agreements from or with any Governmental Authority;
- (v) to Saguaro's knowledge: (A) no assessments or reassessments of the Taxes of Saguaro are currently the subject of an objection or appeal; (B) no audit by any Governmental Authority related to Taxes of Saguaro is currently ongoing; and (C) Saguaro has not received any written communication from a Governmental Authority raising outstanding issues relating to Taxes;
- (vi) Saguaro has not received any written communication from any Governmental Authority indicating that an audit, assessment or reassessment of Saguaro is proposed in respect of any Taxes, regardless of its merits;
- (vii) Saguaro has not executed or filed with any Governmental Authority any agreement or waiver extending the statutory period of limitations for the assessment, reassessment or collection of any Taxes;
- (viii) Saguaro has: (A) withheld from each payment made to any Person, including any of its present or former employees, officers or directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, all amounts required by Applicable Law to be withheld, including all amounts of provincial pension plan contributions; and (B) has duly and in a timely manner remitted such amounts to the proper Governmental Authority within the time required by Applicable Law;
- (ix) Saguaro has charged, collected and remitted on a timely basis all material Taxes as required under any Applicable Law on any sale, supply or delivery whatsoever, made by it, and is validly registered with the relevant Governmental Authorities



for the collection of such Taxes. All material amount of input tax credits, refunds, rebates and similar adjustments of Taxes claimed by Saguaro has been validly claimed and correctly calculated as required by Applicable Law, and Saguaro has retained all documentation prescribed by Applicable Law to support such claims. Where applicable, Saguaro: (A) has obtained all required information and documentation to support any zero-rating treatment of its supplies; and (B) has been furnished with valid exemption certificates or their equivalent and has retained all such records and supporting documents in the manner required by Applicable Law.

- (x) no material deficiencies exist, have been asserted in writing to Saguaro, or to the knowledge of Saguaro, have been threatened, by any Governmental Authority with respect to Taxes of Saguaro that have not yet been settled;
- (xi) there are no Encumbrances for any unpaid Taxes (other than for Permitted Encumbrances properly reflected in Saguaro's financial statements) upon the assets of Saguaro;
- (xii) Saguaro has, at all relevant times, been and is a "taxable Canadian corporation" within the meaning of the Tax Act; and no claim in respect of Taxes has ever been received by Saguaro from a Governmental Authority in a jurisdiction where Saguaro does not file Tax Returns that Saguaro is or may be subject to Tax in such jurisdiction or that a Tax Return is required to be filed by Saguaro in such jurisdiction;
- (xiii) Saguaro has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act with respect to all material transactions between it and any non-resident of Canada (for purposes of the Tax Act) with whom it was not dealing at arm's length (for purposes of the Tax Act);
- (xiv) Saguaro is not party to or bound by any tax sharing agreement, tax allocation agreement or tax indemnity agreement in favour of any Person with respect to Taxes;
- (xv) Saguaro will not be required to include in a taxable period ending after the Effective Date any amount of net taxable income (after taking into account deductions claimed for such a period that relate to a prior period) that accrued in a taxable period prior to the Effective Date but was not included for tax purposes in such prior taxable period;
- (xvi) there are no transactions or events that have resulted, and no circumstances existing, which could result in the application to Saguaro of sections 15, 17, 18(4), 78, 80, 80.01, 80.02, 80.03, 80.04, 159, 160, 191.3, or 224 of the Tax Act or any analogous provision of any comparable Applicable Law of any province or territory of Canada;
- (xvii) all transactions between Saguaro, on the one hand, and any Person with whom Saguaro was not dealing at arm's length during a taxation year ending before the Effective Date, on the other hand, were priced in all material respects in accordance with the provisions of section 69 or 247 of the Tax Act or any analogous provision of any comparable Applicable Law of any province or territory of Canada;

- (xviii) Saguaro has no obligations to incur or renounce to investors any Canadian exploration expense or Canadian development expense, each as defined under the Tax Act, pursuant to any flow-through share agreement of which Saguaro is a party;
  - (xix) Saguaro has not deferred any payroll tax obligations as permitted under applicable COVID-19 related measures enacted, promulgated or offered as an administrative relief by any Governmental Authority;
  - (xx) Saguaro has not participated, or is currently participating, in a "reportable transaction" as defined in subsection 237.3(1) of the Tax Act, or a "notifiable transaction" as defined in subsection 237.4(1) of the Tax Act;
  - (xxi) correct and complete copies of all Tax Returns and all communications to or from any Governmental Authority relating to the Taxes of Saguaro have been made available to Purchaser, to the extent relating to periods or events in respect of which any Governmental Authority may by Applicable Law assess or otherwise impose any such Tax on Saguaro;
  - (xxii) Saguaro's aggregate Tax Pools determined for the purposes of the Tax Act and effective as at the end of 2023 taxation year, and its reasonable estimate of Saguaro's aggregate Tax Pools effective and as at the end of the 2024 taxation year (and which were used for the purposes of determining the tax provision in the Saguaro Financial Statements or in the management's discussion and analysis of Saguaro for the year ended December 31, 2024 dated March 12, 2025) are as set forth in the Saguaro Disclosure Letter; and
  - (xxiii) Saguaro's aggregate "paid-up capital" for the purposes of the Tax Act, effective at the end of its 2024 taxation year, is not less than the amount set forth in the Saguaro Disclosure Letter.
- (h) Reporting Issuer Status: Saguaro is not a "reporting issuer" or its equivalent designation in any jurisdiction. No Securities Authority, other competent authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Saguaro, no such proceeding is, to the knowledge of Saguaro, pending, contemplated or threatened.
- (i) Capitalization: As of the date hereof, the authorized capital of Saguaro consists of an unlimited number of Saguaro Shares and an unlimited number of preferred shares, issuable in series. The Saguaro Disclosure Letter sets out, as of the date hereof, the number of issued and outstanding Saguaro Shares, Saguaro Warrants and Additional Saguaro Warrants to be issued. Other than as disclosed on the Saguaro Disclosure Letter, there are no shares, options, warrants or other rights, plans agreements or commitments of any nature whatsoever requiring the issuance, sale or transfer by Saguaro of any securities of Saguaro (including Saguaro Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Saguaro (including Saguaro Shares). All outstanding Saguaro Shares have been duly authorized and validly issued, are fully paid and non-assessable and were not issued in violation of, any pre-emptive rights to which Saguaro is subject and all Saguaro Shares issuable upon the due exercise or surrender of Saguaro Warrants and Additional Saguaro Warrants in accordance with the terms of such securities will be duly authorized and validly issued as

fully paid and non-assessable and will not be issued in violation of any pre-emptive rights to which Saguaro is subject. Other than the Saguaro Shares, there are no securities of Saguaro outstanding which have the right to vote generally (except that the Saguaro Warrants and Additional Saguaro Warrants are exercisable or convertible into or exchangeable for securities having the right to vote generally) with the Saguaro Shareholders on any matter.

- (j) Equity Monetization Plans: Other than as disclosed in the Saguaro Disclosure Letter, the Saguaro Retention Bonuses and the Additional Saguaro Warrant Bonus, there are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any Employee, former employee or director of Saguaro and which are based upon the revenue, value, income or any other attribute of Saguaro.
- (k) No Orders: No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Saguaro Shares or any other securities of Saguaro have been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Saguaro, are contemplated or threatened under any Applicable Laws or by any Governmental Authority.
- (l) Saguaro Financial Statements: The Saguaro Financial Statements, and any interim or annual financial statements delivered hereunder on and after the date hereof, were or, when so delivered, will have been prepared in accordance with IFRS (except in the case of unaudited interim statements, to the extent they may not include footnotes, are subject to normal year-end adjustments or may be condensed or summary statements), and present or, when so delivered, will present fairly in accordance with IFRS the financial position, results of operations and changes in financial position of Saguaro on a consolidated basis as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments). There has been no material change in Saguaro's accounting policies since January 1, 2023.
- (m) Books and Records: The financial books, records and accounts of Saguaro, in all material respects: (i) have been maintained in accordance with good business practices on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Saguaro; and (iii) accurately and fairly reflect the basis for the Saguaro Financial Statements. The corporate records and minute books of Saguaro have been maintained substantially in compliance with Applicable Laws and are complete and accurate in all material respects, and full access thereto has been provided to Purchaser (other than minutes and resolutions related to Purchaser and/or transactions or potential transactions between Saguaro and Purchaser).
- (n) Absence of Certain Changes or Events: Except for the Arrangement, the termination of the Share Buy-Back Agreements immediately prior to the Effective Time (which is expressly consented to by the Purchaser), as disclosed in the Saguaro Disclosure Letter, in the Saguaro Financial Statements or in the management's discussion and analysis of Saguaro for the year ended December 31, 2024 dated March 12, 2025, or any action taken in accordance with this Agreement, since December 31, 2023:
  - (i) Saguaro has conducted its business only in the Ordinary Course of Business;

- (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Saguaro has been incurred other than in the Ordinary Course of Business;
  - (iii) there has been no Material Adverse Change in respect of Saguaro;
  - (iv) Saguaro has not, and to the knowledge of Saguaro, no director, officer, employee or auditor of Saguaro, has received or otherwise had or obtained knowledge of any fraud or material complaint, allegation, assertion or claim, whether written or oral, regarding fraud or the accounting or auditing practices, procedures, methodologies or methods of Saguaro or its internal accounting controls; and
  - (v) Saguaro has not (A) declared, set aside or paid any dividend, bonus issue or other distribution of capital, income, profit (whether in cash, stock or kind) or any repurchase, redemption, repayment or share or loan capital to or for the benefit of a Saguaro Shareholder or any Saguaro Related Party; (B) made any payments (including any management, monitoring, advisory, service or directors' fees, bonuses or other compensation or gift) to or for the benefit of a Saguaro Shareholder or a Saguaro Related Party, including any Taxes imposed on Saguaro in respect thereof; (C) waived, deferred, discounted or released any claim, amount or obligation owed to it by a Saguaro Shareholder or any Saguaro Related Party; (D) provided any guarantee, indemnity or Encumbrance created over any asset, rights or other interest provided by Saguaro in respect of the obligations of any Saguaro Shareholder or any Saguaro Related Party or for the benefit of a Saguaro Shareholder or any Saguaro Related Party; (E) transferred any assets or assumed, indemnified or incurred any indebtedness or other liabilities (whether actual or contingent) to or for the benefit of a Saguaro Shareholder or a Saguaro Related Party; (F) made or entered into any agreement or arrangement (whether conditional or otherwise) to do or give effect to any matter referred to in (A) to (E) above; and (G) paid or incurred any Tax as a result of the matters set out in (A) to (F) above to the extent the same is not collected by Saguaro by way of deductions or withholding.
- (o) Registration, Exemption Orders, Licenses, etc.: Saguaro has obtained and is in compliance with all Governmental Authorizations in all material respects. Such Governmental Authorizations are in full force and effect in accordance with their terms, and no event has occurred or circumstance exists that (with or without notice or lapse of time) may constitute or result in a violation of any such Governmental Authorization, except where the violation would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Saguaro. No proceedings have been commenced or, to the knowledge of Saguaro, threatened, which could result in the revocation or limitation of any Governmental Authorization, and all steps have been taken and filings made on a timely basis with respect to each Governmental Authorization and its renewal, except where the failure to take such steps and make such filings would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Saguaro.
- (p) Compliance with Laws: The operations and business of Saguaro are and have been carried out in compliance with and not in violation of any Applicable Laws in all material respects, and Saguaro has not received any notice of any alleged material violation of any such Applicable Laws.

- (q) Restrictions on Business Activities: Except as disclosed in the Saguaro Disclosure Letter, there is no judgment, injunction or order binding upon Saguaro, and Saguaro is not subject to any contractual commitment, that has or could reasonably be expected to have the effect of prohibiting, restricting or impairing its business or, individually or in the aggregate, have a Material Adverse Effect on Saguaro or Saguaro's ability to consummate the Arrangement.
- (r) Non-Arm's Length Transactions: Except as disclosed in the Saguaro Disclosure Letter and for amounts due as normal salaries and bonuses (including directors' fees) and in reimbursement of ordinary expenses, there are no Contracts (including with respect to management fees, loans or other indebtedness) currently in place between Saguaro, on the one hand, and (i) any officer or director of Saguaro, (ii) any holder of record, or to the knowledge of Saguaro, holders of record who, in aggregate, beneficially own 10% or more of the voting securities of Saguaro, or (iii) any associate or affiliate of any such Person (collectively, "**Saguaro Related Parties**" and each a "**Saguaro Related Party**"), on the other. Except as disclosed in the Saguaro Disclosure Letter, no Saguaro Related Party, owns, has or is entitled to any royalty, net profits interest, carried interest, participation interest, or any other Encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of Saguaro or any revenue or rights attributed thereto. No director, officer, insider or other non-arm's length party of Saguaro is indebted to Saguaro.
- (s) Title: Although it does not warrant title, Saguaro has no reason to believe that Saguaro does not have title to or the right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purpose of this Section 4.1(s), the foregoing are referred to as the "**Saguaro Interests**") and does represent and warrant that the Saguaro Interests are free and clear of adverse claims created by, through or under Saguaro except for Permitted Encumbrances and that, to the best of its knowledge, information and belief, Saguaro holds the Saguaro Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements.
- (t) Saguaro Reserves Report: Saguaro has made available to Sproule International Ltd., prior to the issuance of its report evaluating the crude oil, natural gas liquids and natural gas reserves of Saguaro as at December 31, 2024 (the "**Saguaro Reserves Report**"), for the purpose of preparing the Saguaro Reserves Report, all material information within Saguaro's power or possession requested by Sproule International Ltd., which information did not, to Saguaro's knowledge, contain any misrepresentation at the time such information was provided. Except with respect to changes in the prices of oil and gas or as a result of production since such time, Saguaro has no knowledge of any material change in any production, reserves or other relevant information provided to Sproule International Ltd. since the date that such information was provided. Saguaro believes that the Saguaro Reserves Report reasonably presents the quantity and pre-Tax present worth values of the oil and natural gas reserves attributable to the crude oil, natural gas liquids and natural gas properties evaluated in such report as of its effective date based upon information available at the time such reserves information was prepared.
- (u) Transaction Costs, Employee Obligations and Net Debt: The Saguaro Disclosure Letter together with a separate written disclosure letter dated the date hereof from Saguaro to Purchaser sets out in reasonable detail Saguaro's good faith estimate as of the date hereof of total Transaction Costs, Employee Obligations and Net Debt up to and as at the Effective Date.

- (v) Absence of Undisclosed Liabilities: Other than as disclosed in the Saguario Disclosure Letter, Saguario does not have any material liabilities or obligations of any nature (matured or unmatured, fixed or contingent), other than:
  - (i) those set forth or adequately provided for in the Saguario Balance Sheet;
  - (ii) those incurred subsequent to the date of the Saguario Balance Sheet in the Ordinary Course of Business; and
  - (iii) those incurred in connection with the execution and performance of this Agreement, including the Employee Obligations and the Transaction Costs.
- (w) No Defaults: Saguario is not in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any Contract, agreement or license to which it is a party or by which it is bound which would, if terminated or upon exercise of a right made available to a third party solely by a reason of such a default due to such default, individually or in the aggregate, have a Material Adverse Effect on Saguario. Saguario is not in material violation of any Applicable Laws.
- (x) Bankruptcy:
  - (i) No action or proceeding has been commenced or filed by or against Saguario which seeks or would reasonably be expected to lead to:
    - (A) receivership, bankruptcy, a commercial proposal or similar proceeding of Saguario;
    - (B) the adjustment or compromise of claims against Saguario;
    - (C) the appointment of a trustee, receiver, liquidator, custodian or other similar officer for Saguario or any portion of its assets, and no such action or proceeding has been authorized or is being considered by or on behalf of Saguario; or
  - (ii) Saguario has not:
    - (A) made, or is considering making, an assignment for the benefit of its creditors; or
    - (B) requested, or is considering requesting, a meeting of its creditors to seek a reduction, compromise, composition or other accommodation with respect to its respective indebtedness.
- (y) Pre-emptive Rights: There are no outstanding rights of first refusal, rights of first offer or other pre-emptive rights of purchase which entitle any person to acquire any of the material rights, title, interests, property, licenses or assets of Saguario that will be triggered or accelerated by the Arrangement.
- (z) Environmental: Except as set forth in the Saguario Disclosure Letter or which are known to Purchaser in respect of the Joint Assets and Purchaser's operation thereof:

- (i) no orders, directions or notices have been received by Saguaro which remain outstanding pursuant to any Environmental Laws relating to the business or assets of Saguaro;
  - (ii) Saguaro has not failed to report to the proper Governmental Authority the occurrence of any event which Saguaro is required to so report by any Environmental Law;
  - (iii) there are no pending or, to the knowledge of Saguaro, threatened claims, liens or encumbrances resulting from Environmental Laws with respect to any of the properties of Saguaro currently or formerly owned, leased, operated or otherwise used; and
  - (iv) Saguaro has not assumed or retained by contract any losses, expenses, claims, damages or liabilities of any third party pursuant to applicable Environmental Laws.
- (aa) Material Contracts: As of the date hereof, the Saguaro Disclosure Letter contains an accurate list of all of the following Contracts, other than any Contract to which the only parties are Saguaro and the Purchaser, correct, current and complete copies of which (including all amendments, notices, waivers and similar related thereto) have been made available to Purchaser prior to the date of the Agreement (the "**Saguaro Material Contracts**"):
- (i) any partnership, joint venture or alliance Contract, excluding industry standard construction, ownership and operating agreements and joint operating agreements;
  - (ii) all Contracts containing any rights on the part of any Person, including joint venture partners or entities, to acquire property rights from Saguaro, excluding rights of first refusal in industry standard construction, ownership and operating agreements and joint operating agreements;
  - (iii) all Contracts containing any rights on the part of Saguaro to acquire property rights from any Person, excluding rights of first refusal in industry standard construction, ownership and operating agreements and joint operating agreements;
  - (iv) any Contract in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition of assets or securities or other equity interests of another Person;
  - (v) all Contracts under which Saguaro has created, incurred, assumed or guaranteed any outstanding indebtedness for borrowed money or any capitalized lease obligation, or under which it has imposed any Encumbrance on any of its assets, which Encumbrance secures outstanding indebtedness for borrowed money;
  - (vi) outstanding agreements of guaranty, surety or indemnification (excluding indemnification provisions customarily included in Contracts entered into in the Ordinary Course of Business and also excluding all agreements and indemnities forming exceptions to the representation and warranty set out in Section 4.1(ss));

- (vii) outstanding futures, swap, collar, put, call, floor, cap, option or other Contracts that have underlying value and payment liability driven by or tied to fluctuations in the price of commodities;
- (viii) unit agreements and unit operating agreements;
- (ix) any Contract that includes any take or pay obligations;
- (x) any Derivative Contract for more than a 30 day term;
- (xi) any Marketing and Midstream Agreements;
- (xii) other than employment or consultancy agreements, the certificates for Saguaro Warrants and Additional Saguaro Warrants, the Saguaro Retention Bonuses and the Additional Saguaro Warrant Bonus, all Contracts which entitle a party to rights of termination, the terms or conditions of which may or will be altered, or which entitle a party to any fee, payment, penalty or increased consideration, in each case as a result of the execution of this Agreement, the consummation of the transactions contemplated hereby or a "change in control" of Saguaro including without limitation any seismic license or similar agreements;
- (xiii) other than employment or consultancy agreements, the certificates for Saguaro Warrants, Additional Saguaro Warrants, the Saguaro Retention Bonuses and the Additional Saguaro Warrant Bonus, and Contracts which are in the Ordinary Course of Business, all Contracts pursuant to which Saguaro will, or may reasonably be expected to, result in a requirement of Saguaro to expend more than an aggregate of [Redacted – amount] or receive or be entitled to receive revenue of more than an aggregate of [Redacted – amount] in either case in the next 12 months; and
- (xiv) any Contract that, if cancelled, terminated or expired by its terms without being replaced would reasonably be expected to have a Material Adverse Effect on Saguaro.

Each of such Saguaro Material Contracts constitutes a legally valid and binding agreement of Saguaro, enforceable in accordance with their respective terms (subject to bankruptcy, insolvency and other Applicable Laws affecting creditors' rights generally, and to general principles of equity) and, to the knowledge of Saguaro, no party thereto is in default in the observance or performance of any term or obligation to be performed by it under any such Contract or agreement which is material to the business of Saguaro and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to have a Material Adverse Effect on Saguaro. Other than as set forth in the Saguaro Disclosure Letter, there are no transportation, processing or marketing agreements to which Saguaro is a party, except for Marketing and Midstream Agreements.

- (bb) Employee Benefit Plans: Saguaro has made available to Purchaser true, complete and correct copies of: (i) each material employee benefit, fringe benefit, supplemental unemployment benefit, deferred compensation, bonus, retention bonus, commission, incentive, profit sharing, vacation, paid time off, notice, termination, severance, change of control, pension, retirement, stock option, stock purchase, stock appreciation, phantom



stock, profits interest, health, welfare, medical, dental, disability, life insurance, other group insurance, health spending account, personal or wellness spending account, and similar plan, program, arrangement, policy or practice relating to current or former employees, officers, directors or independent contractors (and their respective spouses, dependents and beneficiaries) of Saguaro or any affiliate thereof, and specifically excluding any of the Saguaro Warrants or the Additional Saguaro Warrants and excluding payment of the Additional Saguaro Warrant Bonus, in each case that are currently maintained, sponsored or funded by Saguaro or any affiliate thereof, whether written or unwritten, funded or unfunded, insured or self-insured, registered or unregistered (collectively, the "**Saguaro Plans**"), and (ii) in respect of each Saguaro Plan, as applicable and as amended: (A) a written summary of the material terms of each unwritten Saguaro Plan; (B) the most recent funding, insurance, investment management, record-keeping, administrative services and other service provider agreements; (C) the most recent member booklets, brochures, and similar summaries; (D) the most recent investment, funding, governance, record retention, member communication, and similar policies; and (E) all material, non-routine communications with any Governmental Authority since December 31, 2023. To the knowledge of Saguaro, no changes have occurred or are expected to occur which would affect the contents of the documentation required to be disclosed pursuant to this Section 4.1(bb). Furthermore:

- (i) each Saguaro Plan has been maintained and administered in material compliance with its terms and is, to the extent required by Applicable Law or contract, fully funded without having any deficit or unfunded actuarial liability or adequate provision has been made therefor;
- (ii) all: (A) required employer; and (B) required participant contributions withheld from remuneration, have, in each case in respect of each Saguaro Plan, been made and the applicable funds of such Saguaro Plan have been funded in accordance with Applicable Law and the terms thereof in all material respects;
- (iii) to the knowledge of Saguaro, there are no pending or anticipated claims against or otherwise involving any of the Saguaro Plans and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of Saguaro Plan activities) has been brought against or with respect to any Saguaro Plan;
- (iv) all contributions, reserves or premium payments required to be made to the Saguaro Plans have been made or provided for;
- (v) Saguaro may unilaterally amend or terminate, in whole or in part, each Saguaro Plan, subject only to approvals required by Applicable Law;
- (vi) no insurance policy or any other agreement affecting any Saguaro Plan requires or permits a retroactive increase in contributions, premiums or other payments due thereunder;
- (vii) none of the Saguaro Plans provide health and welfare benefits to former or retired employees, officers, directors or independent contractors (or the spouses, dependants or beneficiaries thereof) except to the minimum extent required by applicable employment standards legislation;

- (viii) no Saguaro Plan is or has been, or is intended to be: (A) a "registered pension plan"; (B) a "retirement compensation arrangement"; (C) a "deferred profit sharing plan"; or (D) an "employee life and health trust", as each of those terms are respectively defined in subsection 248(1) of the Tax Act;
  - (ix) no Saguaro Plan is intended to be, or has ever been found or alleged by a Governmental Authority to be, a "salary deferral arrangement" within the meaning of subsection 248(1) of the Tax Act;
  - (x) no Saguaro Plan permits contributions from, or other participation by, an employer that is neither Saguaro nor an affiliate thereof; and
  - (xi) other than the payment of amounts contemplated by Section 2.3, no Saguaro Plan requires as a result of the transactions contemplated by this Agreement: (A) the payment to any Person of any money, benefits or other property; (B) accelerated or increased funding requirements; or (C) the acceleration or provision of any other increased rights or benefits to any Person.
- (cc) Employees and Independent Contractors:
- (i) Section 4.1(cc)(i) of the Saguaro Disclosure Letter contains a complete and accurate list of Employee Information for each Employee and Independent Contractor and true and complete copies of all written employment or service agreements with Employees and Independent Contractors have been provided to Purchaser.
  - (ii) Other than as set out in the Employee Information, Employee Obligations and the Saguaro Retention Bonus Plan and other than the Saguaro Warrants, the Additional Saguaro Warrants and the Additional Saguaro Warrant Bonus, there are no payments owing or that will become owing in connection with this Agreement to directors, officers, Employees or Independent Contractors of Saguaro under any contract settlements, bonus plans, equity or non-equity incentive compensation plans, retention arrangements, change of control agreements or severance obligations.
  - (iii) Saguaro is and has been in material compliance with all terms and conditions of employment and all Applicable Laws pertaining to employment, including employment standards, human rights, pay equity, occupational health and safety, workers compensation and withholdings and remittances and there are no outstanding material claims, complaints or proceedings, under any employment standards, human rights, pay equity, labour relations, occupational health and safety, workers' compensation or any other employment-related statute or common law and Saguaro has not been advised that any such claims, complaints or proceedings may be filed by or on behalf of any Employee or Independent Contractor or former employee or independent contractor.
  - (iv) All material amounts due and owing or accrued due, but not yet owing, for all Employee or Independent Contractor compensation, including salary, wages, overtime, bonuses, commissions, vacation accruals, other compensation payments, pension benefits or benefits under the Saguaro Plans but excluding, for certainty, any Employee Obligations, Saguaro Warrants, Additional Saguaro Warrants or

payment of the Additional Saguaro Warrant Bonus, have been paid in full or, if accrued, are reflected in full in the books and records of Saguaro.

- (v) To the knowledge of Saguaro, there are no Claims by or with any Governmental Authority or arbitrator in connection with employment matters, including any Claims relating to unfair labour practices, disciplinary action complaints, employment discrimination, workers compensation, occupational health and safety, harassment, retaliation, pay equity, employment insurance or any other employment-related matter arising under Applicable Laws.
  - (vi) To the knowledge of Saguaro, (A) there are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety and insurance legislation relating to the Employees and Independent Contractors, or any former employees or contractors, and (B) all workers' compensation premiums in respect of the Employees have been paid.
  - (vii) Saguaro is not a party to or bound by any collective agreement, or similar agreement, and there is no collective agreement, or similar agreement, currently being negotiated with respect to any Employee with respect to their employment by Saguaro. To the knowledge of Saguaro, no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any Employees of Saguaro by way of certification, interim certification, voluntary recognition, designation or successor rights, or common employer, or has applied to have Saguaro declared a related employer, common employer, or successor employer pursuant to applicable labour legislation. To the knowledge of Saguaro, Saguaro is not engaged in any unfair labour practices and no strike, lock-out, work stoppage, or other labour dispute is occurring. To the knowledge of Saguaro, there are no threatened or pending strikes, work stoppages, picketing, lock-outs, hand-billings, boycotts, slowdowns or similar labour related disputes pertaining to Saguaro that could reasonably be expected to have a Material Adverse Effect on Saguaro.
  - (viii) Saguaro has not recognized any trade union, council of trade unions, employee bargaining agency, affiliated bargaining agent, employee association or other similar organization as a representative of the Employees and no notification to any such trade union, employee bargaining agency, affiliated bargaining agent, employee association or similar organization is required by Saguaro for the purpose of consummating the transactions contemplated by this Agreement.
  - (ix) Saguaro has in all material respects properly classified each Independent Contractor and former consultants, contractors and independent contractors, in accordance with all Applicable Laws and there are no outstanding actual or, to the knowledge of Saguaro, threatened material claims, complaints or investigations regarding Saguaro's classification of such Independent Contractors and former consultants, contractors and independent contractors.
- (dd) Employment Agreements: Except as set forth in the Saguaro Disclosure Letter:
- (i) Saguaro is not a party to any written contracts of employment which may not be terminated on one (1) month's notice or which provide for payments occurring on a change of control of Saguaro; and

- (ii) except as otherwise permitted by this Agreement, Saguaro is not a party to any employment agreement or to any written or oral policy, agreement, obligation or understanding (and for greater certainty, to any amendment to any of the foregoing) with an Employee which (A) cannot be terminated without cause upon giving reasonable notice as required by Applicable Laws; (B) creates enhanced rights in respect of loss or termination of office or employment in relation to the Arrangement in excess of the amounts required pursuant to applicable minimum employment standards legislation; or (C) contains any specific agreement as to obligations arising on a change of control of Saguaro, including as to notice of termination or severance pay in lieu thereof in excess of the amounts required pursuant to applicable minimum employment standards legislation.
- (ee) Brokers and Finders: Except as set forth in the Saguaro Disclosure Letter, Saguaro has no current retainer with, nor will it retain after the date hereof any financial advisor, broker, agent or finder or pay or agreed to pay any financial advisor, broker, agent or finder in respect of the completion of the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated. Saguaro will provide to Purchaser prior to the Effective Date a correct and complete copy of all agreements relating to the arrangements between it and its financial advisor as are in existence and not terminated or expired (whether in connection with the Arrangement or otherwise) as of the Effective Date.
- (ff) Fairness Opinion: The Saguaro Board has received a verbal opinion (with written opinion to follow) as of May 2, 2025 from ATB Securities that the consideration to be received by Saguaro Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Saguaro Shareholders. Saguaro has been authorized by ATB Securities to permit inclusion of its opinion and references thereto in the Notice of Written Resolution, subject to their prior approval in accordance with the terms of the Saguaro's written engagement agreement with ATB Securities.
- (gg) Rights Plans: Saguaro does not have a shareholder rights plan or any other form of plan, agreement, contract or instrument (other than the Saguaro Warrants including the Additional Saguaro Warrants) that will trigger any rights to acquire Saguaro Shares or other securities of Saguaro or rights, entitlements or privileges in favour of any Person upon the entering into of this Agreement or in connection with the Arrangement.
- (hh) Insurance: Policies of insurance that are in force as of the date hereof naming Saguaro as an insured adequately and reasonably cover all risks as are customarily covered by oil and gas producers in the industry in which Saguaro operates and having regard to the nature of the risk insured and the relative cost of obtaining insurance to protect the interests of Saguaro. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.
- (ii) Board Approval: The Saguaro Board has unanimously made the determinations and recommendations as set forth in Section 2.6.
- (jj) Compliance with Anti-Corruption Legislation: Saguaro has not directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or

would be prohibited under the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, or the *Canada Corruption of Foreign Public Officials Act*, or the rules and regulations promulgated thereunder.

- (kk) Money Laundering, Anti-Corruption and Modern Slavery Laws: The operations of Saguaro are, and have been, conducted at all time in compliance with applicable financial recordkeeping and reporting requirements and money laundering laws and the rules and regulations thereunder and any related or similar laws, rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority relating to money laundering, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* (collectively, the "**Money Laundering Laws**"). Saguaro and all of its directors, officers and Employees, are, and have been, at all times in compliance with any Applicable Laws relating to antibribery or anti-corruption (governmental or commercial), including without limitation, the *Corruption of Foreign Public Officials Act (Canada)*, the *Criminal Code (Canada)*, the *U.S. Foreign Corrupt Practices Act* and all national and international laws enacted to implement the OECD Convention on Combatting Bribery of Foreign Officials in International Business Transactions (collectively, "**Anti-Corruption Laws**") and all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including, *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff (Canada)* (collectively, "**Modern Slavery Laws**"). Saguaro has in place and has adhered to policies and procedures designed to prevent their respective directors, officers and Employees from undertaking any activity, practice, or conduct that would constitute an offense under Money Laundering Laws, Anti-Corruption Laws or Modern Slavery Laws. Neither Saguaro, nor any of its directors, officers or Employees, has violated or been alleged to have violated, or been the subject of any investigations, reviews, audits, or inquiries by a Governmental Authority related to, Money Laundering Laws, Anti-Corruption Laws or Modern Slavery Laws, and no investigation, review, audit, or inquiry by any Governmental Authority with respect to Money Laundering Laws, Anti-Corruption Laws and Modern Slavery Laws has been pending or, to the knowledge of Saguaro, threatened.
- (ll) Whistleblower Reporting: No Person has reported evidence of a violation of any Applicable Canadian Securities Laws, breach of fiduciary duty or similar violation by Saguaro or its officers, directors, Employees or Independent Contractors to an officer of Saguaro or, as the case may be, the audit committee (or other committee designated for that purpose) of the Saguaro Board.
- (mm) Sanctions: Neither Saguaro nor, to the knowledge of Saguaro, any director, officer or Employee of Saguaro: (i) is, or is controlled by or is acting on behalf of, any Person that is currently the subject of any sanctions administered or enforced by the United States (including any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce, and including, without limitation, the designation as a "specially designated national" or "blocked person") or Canada (including sanctions administered or enforced by Global Affairs Canada and the Royal Canadian Mounted Police or other relevant sanctions authority) (collectively, "**Sanctions**"); or (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory, including, without limitation, Crimea, Sudan, Syria, Iran, Russia and North Korea, and neither Saguaro nor, to the knowledge of Saguaro, any director, officer or Employee of Saguaro were knowingly engaged in or are now knowingly engaged in,

any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions. Neither Saguaro nor, to the knowledge of Saguaro, any director, officer or Employee of Saguaro has received any notice alleging they have violated any Sanctions, and, to the knowledge of Saguaro, no condition or circumstances exist that would form the basis of any such allegations.

- (nn) Confidentiality Agreement. Subject to the Disclosure Letter, there are no confidentiality agreements entered into by Saguaro that contain standstill provisions of 12 months or longer duration that will not terminate upon the execution of this Agreement or the public announcement thereof.
- (oo) Off-Balance Sheet Arrangements: Saguaro is not a party to any off-balance sheet arrangements, as that term is understood under IFRS.
- (pp) Swaps: Except as set forth in the Saguaro Disclosure Letter, Saguaro has no obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, production sales transactions having terms greater than 31 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.
- (qq) Arrangements in Respect of Outstanding Securities: Except for the Shareholder Agreement, a true, correct and complete copy of which is set forth in the Saguaro Disclosure Letter, Saguaro is not a party to any unanimous shareholder agreement, shareholder agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Saguaro. Saguaro shall have at or prior to the Effective Time all requisite approvals pursuant to the Shareholder Agreement to enter into this Agreement and complete the Arrangement.
- (rr) Operational Matters: Except to the extent that any matter referenced to in this Section 4.1(rr) is not, and would not, reasonably be expected to be material to the business of Saguaro, or in respect of the Joint Assets, which Purchaser, as the operator of the Joint Assets, is responsible for or has knowledge:
  - (i) all royalties, overriding royalty interests, production payments, net profits, interest burdens or similar payments and obligations due and payable, or performable by Saguaro (in its capacity as a non-operating working interest holder in the Joint Assets), as the case may be, on or prior to the date hereof under, with respect to, or on account of, Saguaro's interest in the Joint Assets has been, in all material respects: (A) duly paid; (B) duly performed; or (C) provided for prior to the date hereof;
  - (ii) except for the Joint Assets and as set forth in the Saguaro Disclosure Letter, Saguaro does not have a legal or beneficial (A) fee simple interest in any real property or (B) interest in any other property right in petroleum, natural gas or related hydrocarbons;

- (iii) Saguaro has not received notice of (nor is it aware of) any material default in respect of any of the Saguaro Interests or under any title or operating documents or any other agreement or instrument pertaining to its oil and natural gas assets to which it is a party or by which it or any such assets are bound or subject; and
- (iv) all wells for which Saguaro was operator, were, during any periods in which Saguaro was operator thereof, drilled and, if and as applicable, completed, operated and abandoned (and if abandoned, plugged and abandoned and the wellsite therefor properly restored) in accordance with good and prudent oil and gas industry practices in Canada and all Applicable Laws.
- (ss) No Guarantees: Saguaro has not guaranteed, endorsed, assumed, indemnified (other than pursuant to indemnity agreements with its directors and officers and as contemplated by the by-laws of Saguaro and Applicable Laws, standard indemnity agreements in financial services (including insurance arrangements, credit facilities and the Saguaro Credit Agreement) and underwriting and agency agreements and indemnities provided in the Ordinary Course of Business to industry partners and service providers and as set out in any confidentiality agreement including the Confidentiality Agreement) or accepted any responsibility for, and does not and will not guarantee, endorse, assume, indemnify or accept any responsibility for, contingently or otherwise, any indebtedness or the performance of any obligation of Saguaro's directors, officers, Employees, Independent Contractors or Saguaro Shareholders.
- (tt) Debt Service Reserve Account: Saguaro does not maintain a debt service reserve account or account of a similar nature.
- (uu) Areas of Mutual Interest, Exclusion and Dedication: As of the Effective Time, Saguaro will not be subject to any areas of mutual interest, areas of exclusion or areas of dedication.
- (vv) Investment Company: Saguaro is not registered or required to be registered as an "investment company" pursuant to the U.S. Investment Company Act.
- (ww) Exchange Act: No class of securities of Saguaro is registered or required to be registered pursuant to Section 12 of the U.S. Exchange Act, nor does Purchaser have a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.
- (xx) Hart-Scott-Rodino Act: Saguaro, including all entities "controlled by" Saguaro for purposes of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, does not hold assets located in the United States with a fair market value in excess of US\$126.4 million in the aggregate and, during the 12-month period ended December 31, 2024, did not make sales in or into the United States in excess of US\$126.4 million in the aggregate.
- (yy) Indigenous Groups: It has not received written notice from any Person of any Indigenous Group Claims, and other than as Purchaser has knowledge of in its capacity as operator of the Joint Assets, there are no Indigenous Group Claims in progress or pending or to Saguaro's knowledge threatened. Saguaro is not party to any Contract with an Indigenous Group to provide benefits pecuniary or otherwise, with respect to Saguaro, its business or the assets.
- (zz) No Withholding. Other than as set forth herein and other than any material information or documents the Purchaser has knowledge of in its capacity as operator of the Joint Assets,

Saguaro has not knowingly withheld from Purchaser any material information or documents concerning Saguaro or its assets or liabilities requested by Purchaser (whether specifically or as part of a general request for similar materials) during the course of Purchaser's review of Saguaro and its assets that is within its control or possession.

#### **4.2 Representations and Warranties of Purchaser**

Purchaser represents and warrants to and in favour of Saguaro and acknowledges that Saguaro is relying upon such representations and warranties in connection with the matters contemplated by this Agreement and the consummation of the Arrangement:

- (a) Organization and Qualification: Purchaser has been duly organized and is validly subsisting under the Applicable Laws of the jurisdiction of its incorporation and has the requisite power and authority to own its assets and properties as now owned and to carry on its business as now conducted. Purchaser is duly registered or authorized to conduct its affairs or do business, as applicable, and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such registration or authorization necessary, except where the failure to have such standing which, if not in place, would not, individually or in the aggregate, significantly impede the ability of Purchaser to consummate the Arrangement.
- (b) Authority Relative to this Agreement: Purchaser has the requisite corporate power and authority to execute this Agreement and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement, and the consummation by Purchaser of the transactions contemplated hereunder, have been duly authorized by the Purchaser Board and, subject to the obtaining of the Final Order, no other proceedings on the part of Purchaser are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Applicable Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (c) No Violations: Except as contemplated by this Agreement:
  - (i) neither the execution and delivery of this Agreement by Purchaser nor the consummation of the transactions contemplated by the Arrangement nor compliance by Purchaser with any of the provisions hereof will:
    - (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance upon any of the properties or assets of Purchaser or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of: (1) articles or by-laws of Purchaser; or (2) any material note, bond, mortgage, indenture, loan agreement, deed of trust agreement, lien, contract or other instrument or obligation to which



Purchaser is a party or to which it, or any of its properties or assets, may be subject or by which Purchaser is bound;

- (B) subject to compliance with applicable statutes and regulations, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Purchaser or any of its properties or assets; or
  - (C) cause the suspension or revocation of any authorization, consent, approval, license or Governmental Authorization currently in effect; and
- (ii) other than in connection with or in compliance with the provisions of Applicable Laws in relation to the completion of the Arrangement or which are required to be fulfilled post Arrangement, and except for the Competition Act Approval, any consents or approvals required from Purchaser's lenders under Purchaser's credit facility, the obtaining of the Final Order and the TSX Approval:
  - (A) there is no legal impediment to Purchaser's consummation of the Arrangement; and
  - (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of Purchaser in connection with the consummation of the Arrangement.
- (d) Purchaser Shares: Purchaser has reserved and allotted a sufficient number of Purchaser Shares as are issuable pursuant to the Arrangement, and, subject to the terms and conditions of the Arrangement, such Purchaser Shares will be validly issued as fully paid and non-assessable to previous holders of Saguaro Shares.
- (e) Litigation: There are no claims, actions, suits, proceedings, investigations, arbitrations, audits, grievances, assessments or reassessments in existence or pending or, to the knowledge of Purchaser, threatened, affecting or that would reasonably be expected to affect Purchaser or affecting or that would reasonably be expected to affect any of its properties or assets at law or in equity or before or by any court or Governmental Authority which claim, action, suit, proceeding, investigation, arbitration, audit, grievance, assessment or reassessment involves a possibility of any judgment against or liability of Purchaser which would reasonably be expected to cause, individually or in the aggregate, a Material Adverse Effect on Purchaser, or would significantly impede the ability of Purchaser to consummate the Arrangement.
- (f) Taxes: Except as provided for in the Purchaser Financial Statements or as disclosed in the Purchaser Public Record:
  - (i) Purchaser is a "taxable Canadian corporation" within the meaning of subsection 89(1) of the Tax Act;
  - (ii) Purchaser has, and on the Effective Date will have, duly and on a timely basis prepared and filed all material Tax Returns required to be filed by it, and such Tax Returns are, or will be, true, complete and correct in all material respects; and

- (iii) Purchaser has duly and timely paid all material Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Authority.
- (g) Compliance with Laws: The operations and business of Purchaser are and have been carried out in compliance with and not in violation of any Applicable Laws other than non-compliance or violation which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Purchaser or would significantly impact the ability of Purchaser to consummate the Arrangement, and Purchaser has not received any notice of any alleged violation of any such Applicable Laws other than where such notice would not reasonably be expected to have a Material Adverse Effect on Purchaser or would significantly impact the ability of Purchaser to consummate the Arrangement.
- (h) No Defaults: Purchaser is not in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any Contract, agreement or license to which it is a party or by which it is bound which would, if terminated or upon exercise of a right made available to a third party solely by a reason of such a default due to such default, individually or in the aggregate, would reasonably be expected to materially delay or impede the consummation of the Arrangement.
- (i) Investment Canada Act: Purchaser is not a "non-Canadian" within the meaning of the Investment Canada Act.
- (j) Reporting Issuer Status: Purchaser is a "reporting issuer" in each of the Provinces of Canada and is in material compliance with all Applicable Canadian Securities Laws therein and the Purchaser Shares are listed and posted for trading on the TSX. Purchaser is not in default of any material requirements of any Applicable Canadian Securities Laws in such jurisdictions or any rules or regulations of, or agreement with, the TSX. No delisting, suspension of trading in or cease trading order with respect to the Purchaser Shares is pending or, to the knowledge of Purchaser, threatened. The documents and information comprising the Purchaser Public Record did not at the respective times they were filed with the relevant Securities Authorities, contain any misrepresentation, unless such document or information was subsequently corrected or superseded in the Purchaser Public Record prior to the date hereof. Purchaser has timely filed with the Securities Authorities all material forms, reports, schedules, statements and other documents required to be filed by Purchaser with the Securities Authorities since becoming a "reporting issuer". Purchaser has not filed any confidential material change report that, at the date hereof, remains confidential.
- (k) No Orders: No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Purchaser Shares or any other securities of Purchaser have been issued by any Governmental Authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Purchaser, are contemplated or threatened under any Applicable Laws or by any Governmental Authority.
- (l) Purchaser Financial Statements: The Purchaser Financial Statements, and any interim or annual financial statements filed by or on behalf of Purchaser on and after the date hereof with the Securities Authorities, in compliance, or intended compliance, with any Applicable Laws, were or, when so filed, will have been prepared in accordance with IFRS (except in the case of unaudited interim statements, to the extent they may not include

footnotes, are subject to normal year end adjustments or may be condensed or summary statements), and present or, when so filed, will present fairly in accordance with IFRS the consolidated financial position, results of operations and changes in financial position of Purchaser on a consolidated basis as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments). There has been no material change in Purchaser's accounting policies, except as described in the notes to the Purchaser Financial Statements, since January 1, 2024.

- (m) Absence of Certain Changes or Events: Except as disclosed in writing to Saguario or in the Purchaser Public Record and except for the Arrangement or any action taken in accordance with this Agreement, since December 31, 2023 there has been no Material Adverse Change in respect of Purchaser.
- (n) Absence of Undisclosed Liabilities: None of the Purchaser nor any of its subsidiaries has any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:
  - (i) those set forth or adequately provided for in the most recent statement of financial position and associated notes thereto included in the Purchaser Financial Statements (the "**Purchaser Balance Sheet**");
  - (ii) those incurred in the Ordinary Course of Business and not required to be set forth in the Purchaser Balance Sheet under IFRS;
  - (iii) those incurred in the Ordinary Course of Business since the date of the Purchaser Balance Sheet and consistent with past practice; and
  - (iv) those incurred in connection with the execution of this Agreement.
- (o) Foreign Private Issuer: Purchaser is a "foreign private issuer" within the meaning of Rule 405 of Regulation C under the U.S. Securities Act.
- (p) Investment Company: Purchaser is not registered or required to be registered as an "investment company" pursuant to the U.S. Investment Company Act.
- (q) Compliance with Anti-Corruption Legislation: Purchaser has not directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Authority, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the *U.S. Foreign Corrupt Practices Act of 1977*, as amended, or the *Canada Corruption of Foreign Public Officials Act*, or the rules and regulations promulgated thereunder.
- (r) Money Laundering, Anti-Corruption and Modern Slavery Laws: The operations of Purchaser are, and have been, conducted at all time in compliance with Money Laundering Laws. Purchaser and all of its directors, officers and employees, are, and have been, at all times in compliance with any Anti-Corruption Laws and all Modern Slavery Laws. Purchaser has in place and has adhered to policies and procedures designed to prevent their respective directors, officers and employees from undertaking any activity, practice, or

conduct that would constitute an offense under Money Laundering Laws, Anti-Corruption Laws or Modern Slavery Laws. Neither Purchaser, nor any of its directors, officers or employees, has violated or been alleged to have violated, or been the subject of any investigations, reviews, audits, or inquiries by a Governmental Authority related to, Money Laundering Laws, Anti-Corruption Laws or Modern Slavery Laws, and no investigation, review, audit, or inquiry by any Governmental Authority with respect to Money Laundering Laws, Anti-Corruption Laws and Modern Slavery Laws has been pending or, to the knowledge of Purchaser, threatened.

- (s) Sanctions: Neither Purchaser nor, to the knowledge of Purchaser, any director, officer or employee of Purchaser: (i) is, or is controlled by or is acting on behalf of, any Person that is currently the subject of any Sanctions; or (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory, including, without limitation, Crimea, Sudan, Syria, Iran, Russia and North Korea, and neither Purchaser nor, to the knowledge of Purchaser, any director, officer or employee of Purchaser were knowingly engaged in or are now knowingly engaged in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions. Neither Purchaser nor, to the knowledge of Purchaser, any director, officer or employee of Purchaser has received any notice alleging they have violated any Sanctions, and, to the knowledge of Purchaser, no condition or circumstances exist that would form the basis of any such allegations.
- (t) Exchange Act: No class of securities of Purchaser is registered or required to be registered pursuant to Section 12 of the U.S. Exchange Act, nor does Purchaser have a reporting obligation pursuant to Section 15(d) of the U.S. Exchange Act.
- (u) Hart-Scott-Rodino: Purchaser, including all entities "controlled by" Purchaser for purposes of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, does not hold assets located in the United States with a fair market value in excess of US\$126.4 million in the aggregate and, during the 12-month period ended December 31, 2024, did not make sales in or into the United States in excess of US\$126.4 million in the aggregate.

#### **4.3 Survival of Representations and Warranties**

- (a) The representations and warranties of Saguaro contained in this Agreement shall not survive the consummation of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.
- (b) The representations and warranties of Purchaser contained in this Agreement shall not survive the consummation of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

#### **4.4 Privacy Issues**

- (a) The Parties acknowledge that they are responsible for compliance at all times with Applicable Privacy Laws which govern the collection, use or disclosure of Personal Information disclosed or transferred by either of the Parties to the Other Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

- (b) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information disclosed to it by the other Party for any purposes other than those related to the performance of this Agreement, determining if the Parties shall proceed with the Arrangement, and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates, unless such Party wishes to use certain Disclosed Personal Information for an additional purpose, and: (i) such Party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose; or (ii) such use or disclosure is permitted or authorized by applicable law, without notice to, or consent from, such individual.
- (c) Each of the Parties acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.
- (d) Each of the Parties acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with Applicable Privacy Laws, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, use, disclosure or other processing of such Disclosed Personal Information.
- (e) Subject to the terms and conditions of this Agreement, each of the Parties shall at all times keep strictly confidential all Disclosed Personal Information provided to it and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each of the Parties shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a *bona fide* need to access such information in order to complete the Arrangement.
- (f) Where authorized by Applicable Laws, each of the Parties shall promptly notify the Other Party of all inquiries, complaints, requests for access, variations or withdrawals of consent and claims of which the Party is made aware in connection with the Disclosed Personal Information. To the extent permitted by Applicable Laws, the Parties shall fully cooperate with one another, with the persons to whom the Disclosed Personal Information relates, and any Governmental Authority charged with enforcement of Applicable Privacy Laws, in responding to such inquiries, complaints, requests for access, variations or withdrawals of consent and claims.
- (g) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the Other Party shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the requesting Party or, at the requesting Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies thereof) in its possession.

## ARTICLE 5 CONDITIONS PRECEDENT

### 5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

- (a) Orders: The Interim Order and the Final Order shall each have been granted in form and substance satisfactory to Saguaro and Purchaser, each acting reasonably, and shall not have been set aside or modified in a manner unacceptable to Saguaro and Purchaser, each acting reasonably, on appeal or otherwise.
- (b) Effective Date: The Effective Date shall occur on or before the Outside Date.
- (c) No Actions: There shall be no action taken under any existing Applicable Law, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any Governmental Authority, that makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein.
- (d) Third Party Approvals: The TSX Approval and Competition Act Approval shall have been received.

The foregoing conditions are for the mutual benefit of Saguaro and Purchaser and may be waived, in whole or in part, by the mutual consent of the Parties at any time. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, then a Party may, in addition to any other remedies it may have at law or equity or otherwise in this Agreement, terminate this Agreement as provided in Section 8.1(a)(ii) (save and except for Section 4.4, Article 6, Article 9, Section 10.4, Section 10.8 and Section 10.10 hereof which shall survive such termination and remain in full force and effect) by written notice to the Other Party in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such terminating Party's breach of this Agreement.

### 5.2 Additional Conditions to Obligations of Saguaro

The obligation of Saguaro to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the following conditions:

- (a) Representations and Warranties:
  - (i) the Fundamental Representations of Purchaser must be true and correct in all respects, other than inaccuracies which are *de minimis* in nature, as of the Effective Date with the same force and effect as if such representations and warranties were made on such date (except to the extent that such representations and warranties speak of an earlier date); and
  - (ii) all other representations and warranties of Purchaser shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and

warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change or have a Material Adverse Effect on Purchaser (and for this purpose, without giving effect to any materiality qualifiers contained therein) or would not, or would not reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement,

and Purchaser shall have provided to Saguaro a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date; provided that Purchaser shall be entitled to cure any breach of a representation and warranty within seven (7) Business Days after receipt of written notice thereof from Saguaro (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).

- (b) Covenants: Purchaser shall have complied in all respects with its covenants herein, except where the failure to comply in all respects with such covenants, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Purchaser, or would not reasonably be expected to significantly impede the ability of the Parties to complete the Arrangement, and Purchaser shall have provided to Saguaro a certificate of a senior officer certifying (without personal liability) compliance with such covenants; provided that Purchaser shall be entitled to cure any breach of a covenant within seven (7) Business Days after receipt of written notice thereof from Saguaro (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).
- (c) No Actions: No act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority (other than those taken by Saguaro or its affiliates) or by any elected or appointed public official in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Saguaro, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Change or have a Material Adverse Effect on Purchaser, or would, or would reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement.
- (d) Purchase Consideration: Purchaser shall have deposited or caused to be deposited in escrow with the Depositary under the Arrangement the Consideration Shares to be issued pursuant to the Arrangement as set out in Section 2.7 hereof.
- (e) No Material Adverse Change: Between the date hereof and the Effective Time, there shall not have occurred any Material Adverse Change with respect to Purchaser that remains a Material Adverse Change at the Effective Time.
- (f) Closing Deliverables: Purchaser shall have delivered to Saguaro the following:
  - (i) the certificates referenced in Section 5.2(a) and Section 5.2(b);
  - (ii) certified copies of the constating documents of Purchaser;

- (iii) a certificate of status, compliance, good standing or like certificate with respect to Purchaser issued by appropriate government officials of its jurisdiction of formation; and
- (iv) the Depositary Agreement duly executed by Purchaser.

The conditions in this Section 5.2 are for the exclusive benefit of Saguaro and may be asserted by Saguaro regardless of the circumstances or may be waived by Saguaro in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Saguaro may have. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, Saguaro may, in addition to any other remedies it may have at law or equity or otherwise in this Agreement, terminate this Agreement as provided in Section 8.1(a)(ii) (save and except for Section 4.4, Article 6, Article 9, Section 10.4, Section 10.8 and Section 10.10 hereof which shall survive such termination and remain in full force and effect).

### **5.3 Additional Conditions to Obligations of Purchaser**

The obligation of Purchaser to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the following conditions:

(a) Representations and Warranties:

- (i) the Fundamental Representations of Saguaro must be true and correct in all respects, other than inaccuracies which are *de minimis* in nature, as of the Effective Date with the same force and effect as if such representations and warranties were made on such date (except to the extent that such representations and warranties speak as of an earlier date); and
- (ii) all other representations and warranties of Saguaro set forth herein shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date or, with respect to all representations and warranties, except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change or have a Material Adverse Effect on Saguaro (and for this purpose, without giving effect to any materiality qualifiers contained therein) or would not, or would not reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement,

and Saguaro shall have provided to Purchaser a certificate of a senior officer certifying (without personal liability) such facts on the Effective Date; provided that Saguaro shall be entitled to cure any breach of a representation and warranty within seven (7) Business Days after receipt of written notice thereof from Purchaser (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).

- (b) Covenants: Saguaro shall have complied in all respects with its covenants herein, except where the failure to comply in all respects with such covenants, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect on Saguaro, or would not reasonably be expected to significantly impede the ability of the Parties to



complete the Arrangement, and Saguaro shall have provided to Purchaser a certificate of a senior officer certifying (without personal liability) compliance with such covenants; provided that Saguaro shall be entitled to cure any breach of a covenant within seven (7) Business Days after receipt of written notice thereof from Purchaser (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).

- (c) No Actions: No act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Governmental Authority (other than those taken by Purchaser or its affiliates) or by any elected or appointed public official in Canada or elsewhere, whether or not having the force of law, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Purchaser, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a Material Adverse Effect on Saguaro, or would, or would reasonably be expected to, materially impede the ability of the Parties to complete the Arrangement.
- (d) Saguaro Board Approvals and Shareholder Authorization: Saguaro shall have furnished Purchaser with:
  - (i) certified copies of the resolutions duly passed by the Saguaro Board approving the entering into of this Agreement and the consummation of the transactions contemplated hereby and related matters;
  - (ii) copies of the Written Resolution duly executed by holders of not less than 66.67% of the then issued and outstanding Saguaro Shares; and
  - (iii) certified copies of the resolutions of the Saguaro Board approving the payment amounts (and to whom the payments shall be made) of the Additional Saguaro Warrant Bonus, the Saguaro Retention Bonuses and all severance amounts for all Employees (including officers) and Independent Contractors.
- (e) No Material Adverse Change: Between the date hereof and the Effective Time, there shall not have occurred any Material Adverse Change with respect to Saguaro that remains a Material Adverse Change at the Effective Time.
- (f) Closing Deliverables: Saguaro shall have delivered to Purchaser the following:
  - (i) the certificates referenced in Section 5.3(a) and Section 5.3(b);
  - (ii) certified copies of the constating documents of Saguaro;
  - (iii) a certificate of status, compliance, good standing or like certificate with respect to Saguaro issued by appropriate government officials of its jurisdiction of formation;
  - (iv) the Depositary Agreement duly executed by Saguaro; and
  - (v) executed resignations and mutual releases effective as of the Effective Time and in form and substance satisfactory to Purchaser and such resigning person, each acting reasonably, from all of the directors and officers of Saguaro (officers who

are parties to a Share Buy-Back Agreement shall in such mutual releases, or in a termination agreement, agree to the termination of such Share Buy-Back Agreement and the waiver of all rights thereunder), provided that a resignation and release of any officer of Saguaro who is a Continuing Personnel shall include an exception relative to such officer of Saguaro continuing as an Employee of Saguaro (or its corporate successor); and

- (g) Releases. All releases received by Saguaro pursuant to Section 3.1(i).
- (h) Registration Rights Agreement Termination. The written evidence of termination pursuant to Section 3.1(j).
- (i) Dissent Rights. The aggregate number of Saguaro Shares held, directly or indirectly, by those holders of such Saguaro Shares who have validly exercised Dissent Rights and not withdrawn such exercise in connection with the Arrangement does not exceed 7.5% of the aggregate number of Saguaro Shares outstanding immediately prior to the Effective Time.

The conditions in this Section 5.3 are for the exclusive benefit of Purchaser and may be asserted by Purchaser regardless of the circumstances or may be waived by Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Purchaser may have. If any of the foregoing conditions are not satisfied or waived on or before the Outside Date, Purchaser may, in addition to any other remedies it may have at law or equity or otherwise in this Agreement, terminate this Agreement as provided in Section 8.1(a)(ii) (save and except for Section 4.4, Article 6, Article 9, Section 10.4, Section 10.8 and Section 10.10 hereof which shall survive such termination and remain in full force and effect).

#### 5.4 Notice and Effect of Failure to Comply with Conditions

- (a) Each of Saguaro and Purchaser shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to: (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect; or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.
- (b) A Party may not elect to exercise its right to terminate this Agreement pursuant to Section 8.1(a)(ii), 8.1(a)(iii) or 8.1(a)(iv) unless the Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties, or of the failure of a condition in favour of the Terminating Party under Section 5.1, 5.2 or 5.3 to be satisfied, or any other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (i) the Outside Date, and (ii) the date that is seven (7) Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date.

## 5.5 Satisfaction of Conditions

The conditions set forth in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, the Articles of Arrangement are filed under the ABCA to give effect to the Arrangement.

## ARTICLE 6 AGREEMENT AS TO DAMAGES AND REMEDIES

### 6.1 Purchaser Damages

- (a) If at any time after the execution of this Agreement and prior to the earlier of its termination or the Effective Date:
  - (i) Saguaro is in breach of (A) any of the Fundamental Representations of Saguaro (other than inaccuracies which are *de minimis* in nature) or (B) any of its covenants made in this Agreement, in each case which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on Saguaro, or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Saguaro fails to cure such breach within seven (7) Business Days after receipt of written notice thereof from Purchaser (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Purchaser Damages Event**"), then in the event of the termination of this Agreement pursuant to Section 8.1(a)(iii), Saguaro shall pay to Purchaser (or to whom Purchaser may direct in writing) \$25,000,000 (the "**Purchaser Termination Fee**") as consideration of Purchaser disposing of its rights hereunder in immediately available funds to an account designated by Purchaser within three (3) Business Days after the first to occur of the events described above; or
  - (ii) Saguaro is in breach of any of its representations and warranties made in this Agreement other than the Fundamental Representations of Saguaro which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Saguaro (without giving effect to any materiality qualifiers contained therein), or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Saguaro fails to cure such breach within seven (7) Business Days after receipt of written notice thereof from Purchaser (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Purchaser Reimbursement Event**"), then in the event of the termination of this Agreement pursuant to Section 8.1(a)(iii), Saguaro shall pay to Purchaser (or to whom Purchaser may direct in writing) \$3,000,000 (the "**Purchaser Expense Reimbursement**") as reimbursement to Purchaser of its out of pocket expenses incurred in connection with the Arrangement in immediately available funds to an account designated by Purchaser within three (3) Business Days after the first to occur of the events described above.
- (b) After a Purchaser Damages Event or Purchaser Reimbursement Event, as applicable, but prior to payment of the Purchaser Termination Fee or Purchaser Expense Reimbursement,

as applicable, Saguaro shall be deemed to hold such applicable payment in trust for Purchaser. For greater certainty, Purchaser is not entitled to more than one payment of the Purchaser Termination Fee or the Purchaser Expense Reimbursement pursuant to this Section 6.1 and if a Purchaser Termination Fee is paid, then no Purchaser Expense Reimbursement shall be payable, and if a Purchaser Expense Reimbursement is paid, then no Purchaser Termination Fee shall be payable.

## 6.2 Saguaro Damages

- (a) If at any time after the execution of this Agreement and prior to the earlier of its termination or the Effective Date:
  - (i) Purchaser is in breach of (A) any of the Fundamental Representations of Purchaser (other than inaccuracies which are *de minimis* in nature) or (B) any of its covenants made in this Agreement, in each case which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or Material Adverse Effect on Purchaser, or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Purchaser fails to cure such breach within seven (7) Business Days after receipt of written notice thereof from Saguaro (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Saguaro Damages Event**"), then in the event of the termination of this Agreement pursuant to Section 8.1(a)(iv), Purchaser shall pay to Saguaro (or to whom Saguaro may direct in writing) \$25,000,000 (the "**Saguaro Termination Fee**") as consideration of Saguaro disposing of its rights hereunder in immediately available funds to an account designated by Saguaro within three (3) Business Days after the first to occur of the events described above; or
  - (ii) Purchaser is in breach of any of its representations and warranties made in this Agreement other than the Fundamental Representations of Purchaser which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change with respect to, or have a Material Adverse Effect on, Purchaser (without giving effect to any materiality qualifiers contained therein), or materially impedes or would reasonably be expected to materially impede the completion of the Arrangement, and Purchaser fails to cure such breach within seven (7) Business Days after receipt of written notice thereof from Saguaro (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) (a "**Saguaro Reimbursement Event**"), then in the event of the termination of this Agreement pursuant to Section 8.1(a)(iv), Purchaser shall pay to Saguaro (or to whom Saguaro may direct in writing) \$3,000,000 (the "**Saguaro Expense Reimbursement**") as reimbursement to Saguaro of its out of pocket expenses incurred in connection with the Arrangement in immediately available funds to an account designated by Saguaro within three (3) Business Days after the first to occur of the events described above.
- (b) After a Saguaro Damages Event or Saguaro Reimbursement Event, as applicable, but prior to payment of the Saguaro Termination Fee or Saguaro Expense Reimbursement, as applicable, Purchaser shall be deemed to hold such applicable payment in trust for Saguaro. For greater certainty, Saguaro is not entitled to more than one payment of the Saguaro

Termination Fee or the Saguaro Expense Reimbursement pursuant to this Section 6.2 and if a Saguaro Termination Fee is paid, then no Saguaro Expense Reimbursement shall be payable, and if a Saguaro Expense Reimbursement is paid, then no Saguaro Termination Fee shall be payable.

### **6.3 Liquidated Damages**

- (a) Each Party acknowledges that each of the Purchaser Termination Fee and the Purchaser Expense Reimbursement set forth in Section 6.1 and the Saguaro Termination Fee and the Saguaro Expense Reimbursement set forth in Section 6.2, is a payment of liquidated damages which is a genuine pre-estimate of the damages which the applicable Party will suffer or incur as a result of the event giving rise to such damages and the resultant termination of this Agreement and disposition of the rights of the recipient of such amounts under this Agreement and is not a penalty. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that the payment of the amounts pursuant to Sections 6.1 and 6.2 are the sole monetary remedies of Purchaser and Saguaro, respectively, in such circumstances; provided, however, that this limitation shall not apply in the event of fraud or intentional breach of this Agreement by Purchaser or Saguaro, respectively, and prior to any termination of this Agreement, preclude Saguaro or Purchaser from seeking injunctive relief to restrain any breach or threatened breach by Saguaro or Purchaser of its covenants in this Agreement, or otherwise obtain specific performance of any such covenants in accordance with Section 6.4.
- (b) Purchaser and Saguaro agree: (i) to treat, for Canadian federal income tax purposes, the payment of the Purchaser Termination Fee, the Purchaser Expense Reimbursement, the Saguaro Termination Fee and the Saguaro Expense Reimbursement as being proceeds of disposition for the disposition by Purchaser or Saguaro, as applicable, of property consisting of rights under this Agreement; and (ii) not to take any position inconsistent with such treatment, in each case, except to the extent otherwise required by Applicable Law.
- (c) Except as set forth in this Section 6.3, the exercise by either Party of any right of termination hereunder shall be without prejudice to any other remedy available to such Party (including the terminating Party's right to pursue all legal remedies, which shall survive the termination of the Agreement unimpaired).

### **6.4 Injunctive Relief and Remedies**

Each Party agrees that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed by the Other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to seek injunctive relief to restrain any breach or threatened breach by the Other Party of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith, this being in addition to any other remedy to which such Party may be entitled at law or in equity; provided that notwithstanding anything in this Agreement to the contrary, should a Party pursue both a grant of specific performance and the payment of the Purchaser Termination Fee, the Purchaser Expense Reimbursement, the Saguaro Termination Fee or the Saguaro Expense Reimbursement, as applicable, under no circumstances shall the Party pursuing such remedies be permitted or entitled to receive both a grant of specific performance of the other Party's obligations to

consummate the transactions contemplated hereby and the payment of the Saguaro Termination Fee, Saguaro Expense Reimbursement the Purchaser Termination Fee or the Purchaser Expense Reimbursement, as applicable.

## **ARTICLE 7 AMENDMENT**

### **7.1 Amendment**

This Agreement may at any time and from time to time be amended by written agreement of each of the Parties hereto without, subject to the Interim Order, the Final Order and Applicable Law, further notice to or authorization on the part of the securityholders of Saguaro and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein,

provided that no such amendment reduces the value or materially adversely affects the consideration to be received by the Saguaro Shareholders without approval by the Saguaro Shareholders given in the same manner as required for the approval of the Arrangement and, if applicable, as may be ordered by the Court.

### **7.2 Amendment of Plan of Arrangement**

Notwithstanding Section 7.1, the Plan of Arrangement may only be amended in accordance with Article 6 of the Plan of Arrangement.

## **ARTICLE 8 TERMINATION**

### **8.1 Termination**

- (a) This Agreement may be terminated at any time prior to the Effective Date:
  - (i) by mutual written consent of Saguaro and Purchaser;
  - (ii) as provided in Sections 5.1, 5.2, 5.3 and 5.4;
  - (iii) by Purchaser upon the occurrence of a Purchaser Damages Event or a Purchaser Reimbursement Event as provided for in Section 6.1; or
  - (iv) by Saguaro upon the occurrence of a Saguaro Damages Event or a Saguaro Reimbursement Event as provided for in Section 6.2;

- (v) by either the Purchaser or Saguaro, if the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(a)(v) shall not be available to any Party if the failure of the Effective Time to occur by the Outside Date has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or
  - (vi) by either the Purchaser or Saguaro, if after the date hereof any law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins Saguaro or the Purchaser from consummating the Arrangement, provided that the enactment, making, enforcement or amendment of such law was not primarily due to a result of a breach by such Party of any of its representations or warranties, or the failure of such Party to perform any of its covenants or agreements, under this Agreement.
- (b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 8.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to and of the Other Party hereunder except as provided in Section 4.4, Article 6, Article 9, Section 10.4, Section 10.8 and Section 10.10 and each Party's applicable obligations under the Confidentiality Agreement, Holdco CA and CIPA, which shall survive such termination, and provided that neither the termination of this Agreement nor anything contained in this Section 8.1(b) shall relieve either Party from any liability for any breach by it of this Agreement, including from any inaccuracy in any of its representations and warranties and any non-performance by it of its covenants made herein, prior to the date of such termination.

## **ARTICLE 9 NOTICES**

### **9.1 Notices**

All notices that may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally, delivered by courier or sent by email:

- (a) in the case of Purchaser, to:

**Tourmaline Oil Corp.**  
2900, 250 – 6<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 3H7

Email: [Redacted – personal information]  
Attention: Adam Karpoff and Katie Beck

- (b) in the case of Saguaro, to:

**Saguaro Resources Ltd.**  
440, 222 – 3<sup>rd</sup> Avenue SW  
Calgary, Alberta T2P 0B4

Email: [Redacted – personal information]  
Attention: Stacy Knull and Bruce Allford

or such other address as the Parties may, from time to time, advise the Other Party hereto by notice in writing. Any such notice shall be deemed to have been given and received on the day on which it was so delivered or transmitted (if a Business Day, and if not, then the next succeeding Business Day) unless received after 5:00 pm (local time in the place of receipt) in which case it shall be deemed to have been given and received on the next Business Day.

## **ARTICLE 10 GENERAL**

### **10.1 Binding Effect**

This Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

### **10.2 Assignment**

Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party hereto without the prior written consent of the Other Party hereto, except that Purchaser may assign all or a portion of its rights under this Agreement to AcquisitionCo but no such assignment shall relieve Purchaser of any of its obligations hereunder.

### **10.3 Public Communications**

- (a) Each Party agrees to consult with the Other Party prior to issuing any press releases or otherwise making public statements or disclosures with respect to this Agreement or the Arrangement or making any filing with any Governmental Authority with respect thereto. Without limiting the generality of the foregoing, no Party shall issue any press release or make any disclosures regarding the Arrangement, this Agreement or any transaction relating to this Agreement without first providing a draft of such press release or disclosures to the Other Party and reasonable opportunity for comment; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any such disclosure required in accordance with Applicable Laws. Notwithstanding the above and without restriction to other permissible disclosures, either Party shall be entitled to make pertinent disclosures to its respective shareholders or other third parties as permitted or contemplated under this Agreement or as required by Applicable Laws and to otherwise comply with its obligations under this Agreement.
- (b) For the avoidance of doubt, nothing in Section 10.3(a) shall prevent or restrict each Party from making (i) internal announcements to employees or having discussions with shareholders, financial analysts and other stakeholders, or (ii) public announcements in the Ordinary Course of Business that do not relate specifically to this Agreement or the Arrangement.

### **10.4 Costs**

Except as otherwise expressly provided for in Section 3.3(b) or Section 6.1(a)(ii), all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Arrangement is completed.



### **10.5 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be severable therefrom and the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall, subject to Section 7.1, negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

### **10.6 Further Assurances**

Each of the Parties hereto shall, from time to time and at all times hereafter, at the request of the Other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

### **10.7 Time of Essence**

Time shall be of the essence of this Agreement.

### **10.8 Applicable Law**

This Agreement shall be governed, including as to validity, interpretation and effect, by the Applicable Laws of the Province of Alberta and the Applicable Laws of Canada applicable therein. The Parties hereby irrevocably submit and attorn to the exclusive jurisdiction of the courts of the Province of Alberta in respect of all matters arising out of this Agreement.

### **10.9 Waiver**

Either Party may, on its own behalf only, (a) extend the time for the performance of any of the obligations or acts of the Other Party, (b) waive compliance with the Other Party's agreements or the fulfillment of any conditions to its own obligations contained herein, or (c) waive inaccuracies in the Other Party's representations or warranties contained herein or in any document delivered by the Other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of the Other Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived and provided further that no such waiver reduces the value or modifies the substance or form, or otherwise adversely affects, the consideration to be received by the Saguaro Shareholders without approval by the Saguaro Shareholders given in the same manner as required for the approval of the Arrangement and, if applicable, as may be ordered by the Court.

### **10.10 Third Party Beneficiaries**

- (a) The provisions of Section 2.3 and Section 2.4 are: (i) intended for the benefit of all such past and present directors and officers of Saguaro and the Employees and Independent Contractors of Saguaro and shall be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Saguaro Third Party Beneficiaries**") and Saguaro shall hold the rights and benefits of such section in trust for and on behalf of the Saguaro Third Party Beneficiaries and Purchaser hereby

accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Saguaro Third Party Beneficiaries; and (ii) are in addition to, and not in substitution for, any other rights that the Saguaro Third Party Beneficiaries may have by contract or otherwise.

- (b) Except as provided in Section 10.10(a), this Agreement shall not confer any rights or remedies upon any person other than the Parties to this Agreement.

#### **10.11 Counterparts and Electronic Delivery**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument. Delivery of an executed signature page to this Agreement by electronic means (including by DocuSign, facsimile or in PDF format) shall be as valid and effective as delivery of an originally or manually executed copy of this Agreement.

*Remainder of page intentionally left blank. Signature page follows.*

**IN WITNESS WHEREOF** the Parties have executed this Agreement as of the date first above written.

<b>TOURMALINE OIL CORP.</b>	
Per:	
	Name: Michael Rose
	Title: President and Chief Executive Officer

<b>SAGUARO RESOURCES LTD.</b>	
Per:	
	Name: Stacy Knull
	Title: President and Chief Executive Officer

**EXHIBIT "A"**  
**PLAN OF ARRANGEMENT**  
**UNDER SECTION 193 OF THE**  
***BUSINESS CORPORATIONS ACT* (ALBERTA)**  
**ARTICLE 1**  
**INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**ABCA**" means the *Business Corporations Act*, Alberta R.S.A. 2000, c. B-9;
- (b) "**AcquisitionCo**" has the meaning ascribed thereto in the Arrangement Agreement;
- (c) "**Additional Saguaro Warrants**" has the meaning ascribed thereto in the Arrangement Agreement;
- (d) "**AmalCo**" means the corporation resulting from the Amalgamation;
- (e) "**Amalgamation**" means the amalgamation of AcquisitionCo and Saguaro pursuant to Section 3.1(d) of this Plan of Arrangement;
- (f) "**Applicable Laws**" has the meaning ascribed thereto in the Arrangement Agreement;
- (g) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement made pursuant to section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (h) "**Arrangement Agreement**" means the arrangement agreement dated May 2 2025, between Saguaro and Purchaser with respect to the Arrangement and all amendments thereto;
- (i) "**Arrangement Resolution**" means the special resolution of Saguaro Shareholders approving the Arrangement in the form of the Written Resolution;
- (j) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under subsection 193(4.1) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;
- (k) "**Base Purchase Price**" means \$500,000,000;
- (l) "**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the city of Calgary, Alberta, are not generally open for business;
- (m) "**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to subsection 193(11) of the ABCA giving effect to the Arrangement;

- (n) **"Consideration Shares"** means the number (rounded to the nearest whole share) of Purchaser Shares equal to (i) the Purchase Price, divided by (ii) the VWAP Price;
- (o) **"Court"** means the Court of King's Bench of Alberta;
- (p) **"CRA"** means the Canada Revenue Agency;
- (q) **"Depository"** means Odyssey Trust Company or such other trust company as may be designated by Purchaser and Saguaro;
- (r) **"Dissent Rights"** means the right of a Dissenting Shareholder to dissent in respect of the Arrangement Resolution and to be paid the fair value of the Saguaro Shares granted pursuant to the Interim Order, all in accordance with section 191 of the ABCA (as modified by the Interim Order), the Interim Order and this Plan of Arrangement;
- (s) **"Dissenting Shareholder"** means a registered holder of Saguaro Shares (other than the Supporting Shareholders) who validly dissents in respect of the Arrangement Resolution in strict compliance with Section 4.1 and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights as at the Effective Time;
- (t) **"Effective Date"** means the date the Arrangement is effective under the ABCA;
- (u) **"Effective Time"** means the time on the Effective Date at which the Articles of Arrangement are filed with the Registrar;
- (v) **"Exchange Ratio"** means the number (or fraction of a number) determined by dividing (i) the Consideration Shares by (ii) the Saguaro Closing Fully Diluted Share Count;
- (w) **"Exercise Price"** means with respect to any Saguaro Warrant, the price at which such Saguaro Warrant may be exercised by the holder thereof;
- (x) **"Final Order"** means the order of the Court approving the Arrangement to be applied for by Saguaro in accordance with the Arrangement Agreement and to be granted pursuant to subsection 193(4) of the ABCA in a form acceptable to Purchaser and Saguaro, each acting reasonably, in respect of Saguaro Shareholders and Saguaro, as such order may be affirmed, amended or modified by the Court (with the consent of each of Saguaro and Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that such amendment is acceptable to each of Saguaro and Purchaser, each acting reasonably) on appeal;
- (y) **"Governmental Authority"** means any:
  - (i) international, multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau or agency, domestic or foreign;
  - (ii) subdivision, agency, agent or authority of any of the foregoing; and

- (iii) quasi-governmental or private body, including any tribunal, commission, regulatory agency, stock exchange or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (z) **"Interim Order"** means the interim order of the Court concerning the Arrangement under subsection 193(4) of the ABCA, in a form acceptable to Purchaser and Saguaro, each acting reasonably, containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction, provided that any such amendment or modification is acceptable to both Saguaro and Purchaser, each acting reasonably;
- (aa) **"Letter of Transmittal"** means the letter of transmittal pursuant to which Saguaro Shareholders are required to deliver certificates representing Saguaro Shares;
- (bb) **"Net Debt"** has the meaning ascribed thereto in the Arrangement Agreement;
- (cc) **"Person"** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Authority, syndicate or other entity, whether or not having legal status;
- (dd) **"Plan of Arrangement", "herein", "hereof", "hereto", "hereunder"** and similar expressions mean and refer to this plan of arrangement under the ABCA pursuant to which Purchaser will acquire all of the issued and outstanding Saguaro Shares and certain other transactions will be completed, all on the terms and conditions described herein, as it may be amended or supplemented from time to time in accordance with the terms hereof;
- (ee) **"Purchaser"** means Tourmaline Oil Corp., a corporation existing under the ABCA;
- (ff) **"Purchaser Share"** means a common share in the capital of Purchaser;
- (gg) **"Purchase Price"** means the Base Purchase Price *minus* the amount, if any, by which the Net Debt as of the Effective Date is greater than zero and as described in section 2.8(a) of the Arrangement Agreement;
- (hh) **"Registrar"** means the Registrar of Corporations or a Deputy Registrar of Corporations appointed under Section 263 of the ABCA;
- (ii) **"Saguaro"** means Saguaro Resources Ltd., a corporation existing under the ABCA;
- (jj) **"Saguaro Closing Fully Diluted Share Count"** means the number equal to the sum of (i) the number of issued and outstanding Saguaro Shares as at immediately prior to the Effective Time prior to the issuance of the Saguaro Shares in (ii); (ii) the number of Saguaro Shares issuable upon the exercise of the Saguaro Warrants pursuant to the Saguaro Conditional Exercise and Surrender Agreements; and (iii) the number of Saguaro Shares issued upon the exercise of Saguaro Warrants that have not been exercised prior to the Effective Time pursuant to the Saguaro Conditional Exercise and Surrender Agreements and are exercised under this Plan of Arrangement;

- (kk) **"Saguaro Conditional Exercise and Surrender Agreements"** has the meaning ascribed thereto in the Arrangement Agreement;
  - (ll) **"Saguaro Shareholders"** means the holders of Saguaro Shares;
  - (mm) **"Saguaro Share Price"** equals the Purchase Price divided by the number of Saguaro Shares issued and outstanding at the Effective Time but prior to the exercise of any Saguaro Warrants;
  - (nn) **"Saguaro Shares"** means the common shares in the capital of Saguaro;
  - (oo) **"Saguaro Warrant Certificate"** means a certificate evidencing one or more Saguaro Warrants;
  - (pp) **"Saguaro Warrants"** means the Saguaro Warrants (as defined in the Arrangement Agreement) and the Additional Saguaro Warrants issued and outstanding as at the Effective Time;
  - (qq) **"Shareholder Agreement"** means the fourth amended and restated shareholder agreement dated December 2, 2015 by and among Saguaro and the shareholders of Saguaro listed in Schedule A attached thereto;
  - (rr) **"Tax Act"** means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5<sup>th</sup> Supp.);
  - (ss) **"TSX"** means the Toronto Stock Exchange;
  - (tt) **"VWAP"** means the volume weighted average trading price of the Purchaser Shares on the TSX, calculated by dividing the total dollar value of the Purchaser Shares traded over the relevant period by the total volume of the Purchaser Shares traded over the relevant period;
  - (uu) **"VWAP Price"** means the VWAP per Purchaser Share for the fifteen trading day period ending on (and including) the sixth Business Day immediately prior to the Effective Date; and
  - (vv) **"Written Resolution"** means the approval of the Arrangement Resolution by way of written resolution in the form set forth in Exhibit "B" to the Arrangement Agreement including any amendments or variations made thereto in accordance with the Arrangement Agreement or at the discretion of the Court in the Interim Order, provided any amendments made at the direction of the Court in the Interim Order are acceptable to Saguaro and Purchaser, each acting reasonably, and, if applicable, consented to by the Saguaro Shareholders if and as required by Section 6.3.
- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles, sections, subsections, paragraphs and subparagraphs are to articles, sections, subsections, paragraphs and subparagraphs of this Plan of Arrangement.

- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.
- 1.7 Unless otherwise specified, all references to "**dollars**" or "\$" shall mean Canadian dollars.

## **ARTICLE 2**

### **ARRANGEMENT AGREEMENT**

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.
- 2.2 This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective at, and be binding on and after, the Effective Time on: (i) all registered and beneficial Saguaro Shareholders; (ii) the holders of Saguaro Warrants; (iii) Saguaro; (iv) Purchaser; (v) AcquisitionCo; (vi) Dissenting Shareholders; (vii) the Depositary; and (viii) all other Persons, without any further act or formality required on the part of any Person except as expressly provided herein.
- 2.3 The Articles of Arrangement for the Arrangement shall be filed with the Registrar. The Certificate issued in respect of the Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein. If no Certificate is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall be effective at the times specified in Article 3 on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(4.1) of the ABCA.

## **ARTICLE 3**

### **ARRANGEMENT**

- 3.1 Commencing at the Effective Time, each of the steps, events or transactions set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided herein (provided that none of the following shall occur unless all of the following occur):

#### ***Termination of Shareholder Agreement***

- (a) if not otherwise terminated prior to the Effective Time, the Shareholder Agreement shall be terminated in its entirety and shall cease to have any further force or effect;

#### ***Dissenting Shareholders***



- (b) the Saguaro Shares held by Dissenting Shareholders shall be and shall be deemed to be, without any further act or formality by or on behalf of the Dissenting Shareholder, transferred to, and acquired by, Purchaser (free and clear of all encumbrances), and such Dissenting Shareholders shall cease to be the holders of the Saguaro Shares so transferred and to have any rights as Saguaro Shareholders other than the right to be paid the fair value for such Saguaro Shares as set out in Section 4.1;

***Treatment of Saguaro Warrants***

- (c) each Saguaro Warrant outstanding as at the Effective Time (whether vested or unvested), shall, notwithstanding the terms of such Saguaro Warrant, any grant agreements in relation thereto or any employment agreement (or similar agreement) or any resolution of the Saguaro Board (or any committee thereof):

(i) be deemed to be unconditionally fully vested and exercisable;

(ii) either,

- (A) in the case of a Saguaro Warrant that has an Exercise Price that is less than the Saguaro Share Price, be deemed to be exercised pursuant to section 2.2(b) of the applicable Saguaro Warrant Certificate and Saguaro shall issue such number of Saguaro Shares (including any fraction of a Saguaro Share) as is equal to:

$$([A - B] / A) - C$$

where

A is the Saguaro Share Price;

B is the Exercise Price; and

C is that number of Saguaro Shares (including any fraction thereof) with an aggregate fair market value equal to the amount of taxes that are required to be withheld and remitted by Saguaro pursuant to Applicable Law and section 2.1 of the applicable Saguaro Warrant Certificate, as determined by Saguaro and Purchaser, acting reasonably, in connection with the exercise of a Saguaro Warrant pursuant to this Section 3.1(c)(ii)(A);

and in connection therewith, the amount of taxes determined for C in respect of any holder of Saguaro Warrants shall be remitted by Saguaro to the appropriate Governmental Authority; or

- (B) in the case of a Saguaro Warrant that has an Exercise Price that is equal to or greater than the Saguaro Share Price, be cancelled for no consideration; and

- (iii) the name of the holders of such Saguaro Warrants shall be removed from the register of holders of Saguaro Warrants maintained by or on behalf of Saguaro and shall be added to the register of holders of Saguaro Shares maintained by or on

behalf of Saguaro, but the holders of such Saguaro Warrants shall not be entitled to a certificate or other document representing any Saguaro Shares so issued;

- (iv) the Saguaro Warrants and each Saguaro Warrant Certificate in relation thereto shall terminate and be of no further force and effect, and neither Saguaro, Purchaser, nor any of their respective successors or assigns shall have any further liability or obligation with respect thereto; and

***Amalgamation of Saguaro and AcquisitionCo***

- (d) AcquisitionCo and Saguaro shall be amalgamated and continued as one corporation under the ABCA to form Amalco in accordance with the following:
  - (i) *Name.* The name of Amalco shall be "•";
  - (ii) *Registered Office.* The registered office of Amalco shall be the registered office of AcquisitionCo;
  - (iii) *Share Provisions.* Amalco shall be authorized to issue an unlimited number of common shares;
  - (iv) *Restrictions on Transfer.* No shares of Amalco shall be transferred to any person without the approval of the Board of Directors of Amalco by resolution;
  - (v) *Other Provisions.* The other provisions forming part of the articles of Amalco shall be those of AcquisitionCo, *mutatis mutandis*;
  - (vi) *Directors and Officers.*
    - (A) Minimum and Maximum. The directors of Amalco shall, until otherwise changed in accordance with the ABCA, consist of a minimum number of one director and a maximum number of ten directors;
    - (B) Initial Directors. The number of directors on the board of directors shall initially be set at the same number of directors as AcquisitionCo and the initial directors of Amalco shall be the same as the directors of AcquisitionCo; and
    - (C) Initial Officers. The initial officers of Amalco shall be the same as the officers of AcquisitionCo;
  - (vii) *Business and Powers.* There shall be no restrictions on the business Amalco may carry on or on the powers it may exercise;
  - (viii) *Stated Capital.* The aggregate stated capital of Amalco will be an amount equal to the aggregate of: (a) the paid-up capital (for the purposes of the Tax Act) of the AcquisitionCo Shares; and (b) the paid-up capital (for the purposes of the Tax Act) of the Saguaro Shares;
  - (ix) *By-laws.* The by-laws of Amalco shall be the by-laws of AcquisitionCo, *mutatis mutandis*;

- (x) *Effect of Amalgamation.* The provisions of subsections 186(b), (c), (d), (e) and (f) of the ABCA shall apply to the amalgamation with the result that:
  - (A) all of the property of each of AcquisitionCo and Saguaro shall continue to be the property of Amalco;
  - (B) Amalco shall continue to be liable for all of the obligations of each of AcquisitionCo and Saguaro;
  - (C) any existing cause of action, claim or liability to prosecution of AcquisitionCo or Saguaro shall be unaffected;
  - (D) any civil, criminal or administrative action or proceeding pending by or against AcquisitionCo or Saguaro may be continued to be prosecuted by or against Amalco; and
  - (E) a conviction against, or ruling, order or judgment in favour of or against, AcquisitionCo or Saguaro may be enforced by or against Amalco;
- (xi) *Articles.* The Articles of Arrangement filed shall be deemed to be the articles of amalgamation of Amalco and the Certificate issued in respect of such Articles of Arrangement by the Registrar under the ABCA which gives effect to the Arrangement shall be deemed to be the certificate of amalgamation of Amalco;
- (xii) *Inconsistency with Laws.* To the extent any of the provisions of this Plan of Arrangement is deemed to be inconsistent with applicable laws, this Plan of Arrangement shall be automatically adjusted to remove such inconsistency; and
- (xiii) *Exchange and Cancellation of Securities.* On the amalgamation:
  - (A) each issued and outstanding Saguaro Share (other than Saguaro Shares held by Purchaser, but including Saguaro Shares issued pursuant to Section 3.1(c)) shall be cancelled without any repayment of capital in respect thereof and in consideration therefor Purchaser shall issue to the Saguaro Shareholder who held such Saguaro Share that number of fully paid and non-assessable Consideration Shares as is equal to the number of Saguaro Shares held by such Saguaro Shareholder immediately prior to the Effective Time multiplied by the Exchange Ratio;
  - (B) each issued and outstanding Saguaro Share held by Purchaser shall be cancelled and in consideration therefor Purchaser shall receive one fully paid and non-assessable common share in the capital of Amalco; and
  - (C) each issued and outstanding AcquisitionCo Share shall be cancelled and in consideration therefor Purchaser shall receive one fully paid and non-assessable common share in the capital of Amalco.

3.2 The parties shall make the appropriate entries into their securities registers to reflect the matters referred to under Section 3.1.

**ARTICLE 4**  
**DISSENTING SHAREHOLDERS**

- 4.1 Registered Saguaro Shareholders (other than the Supporting Shareholders) may exercise Dissent Rights with respect to the Saguaro Shares held by such holders in connection with the Arrangement pursuant to and in the manner set forth in section 191 of the ABCA, as modified by the Interim Order and this Section 4.1; provided that, notwithstanding section 191(5) of the ABCA, the written objection to the Arrangement Resolution referred to in section 191(5) of the ABCA must be received by Saguaro not later than 5:00 p.m. (Calgary time) on the date that is five Business Days immediately preceding the date of the Final Order. Dissenting Shareholders who duly exercise their Dissent Rights shall be deemed to have transferred the Saguaro Shares held by them and in respect of which Dissent Rights have been validly exercised to Purchaser (free and clear of all encumbrances) without any further act or formality at the effective time of Section 3.1(b) notwithstanding the provisions of section 191 of the ABCA, and if they:
- (a) ultimately are entitled to be paid the fair value for such Saguaro Shares, they: (i) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(b); (ii) shall be paid by Purchaser the fair value of such Saguaro Shares, which fair value shall be determined as of the close of business on the last Business Day before the Final Order was granted by the Court; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Saguaro Shares; or
  - (b) ultimately are not entitled, for any reason, to be paid the fair value for such Saguaro Shares, they shall be deemed to have participated in the Arrangement, commencing at the Effective Time, on the same basis as a non-dissenting holder of the Saguaro Shares notwithstanding the provisions of Section 191 of the ABCA (as modified by the Interim Order), and such holder shall receive the issuance of the Consideration Shares on the basis set forth in Section 3.1(d)(xiii)(A).
- 4.2 In no circumstances shall Saguaro, Purchaser or AcquisitionCo or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Saguaro Shares in respect of which such rights are sought to be exercised. For greater certainty, holders of Saguaro Warrants shall not be entitled to exercise Dissent Rights in respect of their Saguaro Warrants.
- 4.3 For greater certainty, in no case shall Saguaro, Purchaser or AcquisitionCo or any other Person be required to recognize Dissenting Shareholders as holders of the Saguaro Shares in respect of which Dissent Rights have been validly exercised after the effective time of Section 3.1(b) and the names of such holders of the Saguaro Shares shall be deleted from the register of holders of the Saguaro Shares as at the effective time of Section 3.1(b).
- 4.4 In addition to any other restrictions in Section 191 of the ABCA (as modified by the Interim Order), the Saguaro Shareholders who have executed and delivered the Written Resolution to Saguaro, reflecting such Saguaro Shareholder's approval of the Arrangement Resolution, shall not be entitled to exercise Dissent Rights.
- 4.5 A Person may only exercise Dissent Rights in respect of all, and not less than all, of such Person's Saguaro Shares.

**ARTICLE 5**  
**OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES**

- 5.1 From and after the Effective Time, certificates formerly representing Saguaro Shares shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement, to receive the fair value of the Saguaro Shares represented by such certificates.
- 5.2 The Depositary shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Saguaro Shares of a duly completed and executed Letter of Transmittal, either: (a) forward or cause to be forwarded or delivered to such former holder at the address specified in the Letter of Transmittal; or (b) if requested by such holder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such holder; the certificate(s) for the Consideration Shares which such former holder of Saguaro Shares is entitled to receive pursuant to the Arrangement.
- 5.3 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Saguaro Shares that were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to Saguaro and the Depositary, which bond is in form and substance satisfactory to Purchaser or shall otherwise indemnify Saguaro, Purchaser, AcquisitionCo and the Depositary against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.
- 5.4 Any certificate formerly representing Saguaro Shares that is not deposited with all other documents as required by this Plan of Arrangement and the Letter of Transmittal on or before the last Business Day prior to the third anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature, including the right of the holder of such Saguaro Shares to receive the consideration that the holder is entitled pursuant to this Arrangement. In such case, the Consideration Shares that the holder is entitled to pursuant to this Arrangement shall be returned to Purchaser for cancellation.
- 5.5 Purchaser, AcquisitionCo, Saguaro and the Depositary shall be entitled to deduct and withhold from any consideration payable (including shares issuable) to any holder of Saguaro Shares or Saguaro Warrants under this Plan of Arrangement, including from any amount payable to any Dissenting Shareholder, such amounts as any of Purchaser, AcquisitionCo, Saguaro or the Depositary is required or reasonably believes to be required to deduct and withhold from such consideration in accordance with applicable Tax laws and administrative policies of the Canada Revenue Agency. Any such amounts will be deducted and withheld from the consideration payable pursuant to the Plan of Arrangement, and shall be treated for all purposes as having been paid to the Saguaro Shareholder or holder of Saguaro Warrants in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Authority. Any of Saguaro or Purchaser is authorized to sell or otherwise dispose of any Consideration Shares issuable in accordance with this Agreement and the Plan of Arrangement as is necessary to provide sufficient funds to Saguaro or Purchaser, as the case may be, to enable it to comply with all deduction or withholding requirements applicable to

it, and none of Saguaro or Purchaser shall be liable to any Person for any deficiency in respect of any proceeds received, and Saguaro or Purchaser, as applicable, shall notify the holder thereof and remit to the holder thereof any unapplied balance of the net proceeds of such sale.

- 5.6 Subject to Section 5.7, no Saguaro Shareholder shall be entitled to receive any consideration with respect to such Saguaro Shares other than the Consideration Shares to which such holder is entitled to receive under the Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, premium or other payment in connection therewith.
- 5.7 No dividend or other distribution declared or made after the Effective Time with respect to the Purchaser Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Saguaro Shares unless and until the holder of such certificate shall have complied with the provisions of Section 5.2 or Section 5.3. Subject to Applicable Law, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Consideration Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such Consideration Shares.
- 5.8 No certificates representing fractional Purchaser Shares shall be issued under the Arrangement. In lieu of any fractional Purchaser Shares, each registered Saguaro Shareholder otherwise entitled to a fractional interest in Purchaser Shares will receive the nearest whole number of Purchaser Shares. For greater certainty, where such fractional interest is greater than or equal to 0.5, the number of Purchaser Shares to be issued will be rounded up to the nearest whole number and where such fractional interest is less than 0.5, the number of Purchaser Shares to be issued will be rounded down to the nearest whole number.
- 5.9 For the purposes of this Article 5, any reference to "certificate" shall include evidence of registered ownership of the Saguaro Shares or Purchaser Shares in an electronic book-entry system or direct registration system maintained by the registrar and transfer agent of the Saguaro Shares or the Purchaser Shares, as the case may be, and the provisions of this Article 5 shall be read and construed (and where applicable, modified) to give effect to such interpretation.

## **ARTICLE 6 AMENDMENTS**

- 6.1 Purchaser and Saguaro may by mutual agreement amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment shall be: (a) set forth in writing; (b) filed with the Court; and (c) communicated to and/or consented to by the Saguaro Shareholders, if and as required by the Court and in the manner directed by the Court or if and as required by the Written Resolution.
- 6.2 Any amendment to the Plan of Arrangement that is approved by the Court shall be effective only if it is consented to by each of Purchaser and Saguaro, and if required by the Court or Section 6.3, is consented to by the Saguaro Shareholders in the manner directed by the Court.
- 6.3 Notwithstanding Section 6.1 or Section 6.2, this Plan of Arrangement may not be modified or amended without the express prior further approval of the Saguaro Shareholders given in the same manner as required for approval of the Arrangement and, if applicable, as may be ordered by the Court if such modification or amendment would have the effect of reducing the value or materially

adversely affecting, the consideration to be received by the Saguaro Shareholders pursuant to the Arrangement.

- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order and prior to the Effective Time without filing such amendment, modification or supplement with the Court or seeking Court approval; provided that it concerns a matter which, in the reasonable opinion of Purchaser and Saguaro, is of an administrative nature required to give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interests of any Saguaro Shareholder or any holder of Saguaro Warrants.
- 6.5 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time unilaterally by Purchaser, provided that it concerns a matter which, in the reasonable opinion of Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interests of any former holder of Saguaro Shares or Saguaro Warrants.

## **ARTICLE 7 FURTHER ASSURANCES**

- 7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of Purchaser and Saguaro shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.
- 7.2 Subject to the terms of the Arrangement Agreement, Purchaser and Saguaro may agree not to implement this Plan of Arrangement, notwithstanding the approval of the Arrangement Resolution by the Saguaro Shareholders and the receipt of the Final Order.
- 7.3 From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Saguaro Shares and Saguaro Warrants issued or outstanding prior to the Effective Time; and (b) the rights and obligations of the Saguaro Shareholders, the holders of Saguaro Warrants, Saguaro, Purchaser, the Depositary and any registrar or transfer agent (or other depositary therefor in relation thereto) in respect of the Arrangement shall be solely as provided for in this Plan of Arrangement and the Arrangement Agreement.

## EXHIBIT "B"

### WRITTEN RESOLUTION

**SPECIAL RESOLUTION OF THE HOLDERS (THE "SHAREHOLDERS") OF COMMON SHARES (THE "COMMON SHARES") OF SAGUARO RESOURCES LTD. ("SAGUARO") PASSED EFFECTIVE MAY [●], 2025 PURSUANT TO THE *BUSINESS CORPORATIONS ACT* (ALBERTA) (THE "ABCA")**

#### WHEREAS:

- A. Saguario has entered into an arrangement agreement (the "**Arrangement Agreement**") dated May [●], 2025, with Tourmaline Oil Corp. ("**Purchaser**") outlining the terms of a proposed arrangement (the "**Arrangement**") under Section 193 of the ABCA involving Saguario, Purchaser and the Shareholders to be conducted substantially as set forth in the plan of arrangement attached as Exhibit "A" to the Arrangement Agreement (the "**Plan of Arrangement**") and as further described in the notice of written resolution provided (or to be provided) to the Shareholders dated on or about [●], 2025 (the "**Notice of Written Resolution**").
- B. Pursuant to the Arrangement, each outstanding Common Share will be acquired by Purchaser in the manner set forth in the Arrangement Agreement and the Plan of Arrangement.
- C. The Shareholders have been provided with certain information in relation to the Arrangement, including, without limitation, copies of the Arrangement Agreement, the Plan of Arrangement and (after the granting of the Interim Order (as defined below)) the Notice of Written Resolution.
- D. The board of directors of Saguario (the "**Board**") has unanimously: (i) determined that the Arrangement is fair to the Shareholders and is in the best interests of Saguario; (ii) resolved to unanimously recommend that the Shareholders vote for the Arrangement by executing this resolution; and (iii) authorized the entering into of the Arrangement Agreement and the performance by Saguario of its obligations thereunder, and no action has been taken to amend or supersede such determinations, resolutions or authorizations.
- E. The Board has received an oral opinion from ATB Securities Inc., its financial advisor, subsequently confirmed in writing, that as of the date of such opinion and subject to the assumptions, limitations and qualifications set out therein, the total consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.
- F. As set forth in the Arrangement Agreement, the Arrangement is subject to a number of conditions that must be fulfilled or waived in order for the Arrangement to become effective, including execution of this resolution by holders of at least two-thirds of the Common Shares (the "**Requisite Shareholder Approval**") and the approval of the Court of King's Bench of Alberta (the "**Court**").
- G. By signing this Written Resolution, each Shareholder believes that the consideration payable under the Arrangement Agreement and the Plan of Arrangement represents fair value for the Common Shares.
- H. Saguario will apply to the Court in order to grant rights of dissent pursuant to an interim order concerning the Arrangement under subsection 193(4) of the ABCA (the "**Interim Order**") and as such the Shareholder shall have the right to dissent. By signing this Written Resolution, all such rights of dissent are being waived by such executing Shareholder.
- I. Shareholders holding an aggregate of [●] Common Shares, representing an aggregate [●]% of the total issued and outstanding Common Shares, have entered into irrevocable support agreements (collectively, the "**Support Agreements**") in respect of the Arrangement and such supporting Shareholders have executed this Written Resolution and/or agreed to vote all of the Common Shares held by such persons in favour of the Written Resolution and to otherwise support the Arrangement, subject to the terms of the Support Agreements and accordingly, the Requisite Shareholder Approval has been obtained.



- J. In light of the Requisite Shareholder Approval being obtained Saguaro has agreed in the Arrangement Agreement that it is not permitted or able to enter into any agreement with any Person relating to any Acquisition Proposal and including an Acquisition Proposal that is a Superior Proposal (as such terms are defined in the Arrangement Agreement).

**NOW THEREFORE BE IT RESOLVED BY SPECIAL RESOLUTION THAT:**

1. the Arrangement, as set forth in the Plan of Arrangement, and all transactions contemplated thereby, is hereby authorized, approved and adopted;
2. the Arrangement Agreement (including the Plan of Arrangement attached thereto) and all of the transactions contemplated therein (together with such amendments, modifications or supplements thereto made in accordance with the terms thereof as may be approved by any of the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments, modifications or supplements), the actions of the directors of Saguaro in approving the Arrangement, and the actions of the officers of Saguaro in executing and delivering the Arrangement Agreement and any amendments, modifications or supplements thereto and causing the performance by Saguaro of its obligations thereunder, are hereby confirmed, ratified and approved;
3. Saguaro be and is hereby authorized to make an application to the Court for an order approving the Arrangement (the "**Final Order**") on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be or have been amended, modified or supplemented in accordance with their terms);
4. notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Shareholders or the Final Order has been granted by the Court, the directors of Saguaro are hereby authorized and empowered, at their discretion, without further notice to or approval of the Shareholders: (i) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; and (ii) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement, at any time prior to the issuance of the certificate or other proof of filing giving effect to the Arrangement;
5. any officer or director of Saguaro is hereby authorized and directed, for and on behalf of Saguaro, to deliver to the Registrar of Corporations or Deputy Registrar of Corporations appointed under Section 263 of the ABCA, the articles of arrangement, a certified copy of the Final Order and to execute and, if appropriate, deliver such other documents as are necessary or desirable pursuant to the ABCA to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such other documents;
6. any officer or director of Saguaro is hereby authorized and directed, for and on behalf of Saguaro, to execute, or cause to be executed, and to deliver, or cause to be delivered, all such other documents, agreements and instruments and to perform, or cause to be performed, all such other acts and things as in such person's opinion may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such acts or things; and
7. this written resolution of the Shareholders may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together (whether provided by way of electronic transmission or otherwise) shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

If the undersigned is a party to the fourth amended and restated shareholder agreement dated December 2, 2015 by and among Saguaro and the shareholders of Saguaro listed in Schedule A attached thereto (the "**Shareholder Agreement**"), the undersigned hereby consents to and agrees that the Shareholder Agreement shall be terminated effective immediately prior to, and conditional upon the occurrence of, the Effective Time (as defined in the Arrangement Agreement).

Subject to the following paragraph, the undersigned, being a Shareholder entitled to vote on the foregoing resolution, hereby: (a) consents to and approves the foregoing resolution; (b) waives any and all rights to dissent under the Interim Order, the Final Order and the ABCA in connection with the Arrangement; and (c) agrees not to exercise any securityholder rights or remedies available at common law or pursuant to the ABCA or applicable securities legislation to delay, hinder, upset or challenge the Arrangement or the completion thereof, in each case effective as of the date first written above and as evidenced by the undersigned's signature hereto.

Notwithstanding the above paragraph or any other terms of this resolution, this resolution is irrevocable, except that it will automatically be revoked and be of no further force or effect upon the earliest to occur of: (a) if at any time after the date hereof the Arrangement Agreement or the Plan of Arrangement is amended or amended and restated, or any condition therein is waived, and any such amendment, amendment and restatement or waiver has the effect of reducing the value or changing the form or terms of the consideration that would be received by the Shareholder pursuant to the Arrangement from the value or form or terms of the consideration that would be received by the Shareholder pursuant to the Arrangement Agreement and the Plan of Arrangement as in effect on the date thereof (provided that, for greater certainty, a decrease in the market price of the Consideration Shares (as defined in the Plan of Arrangement) will not constitute a reduction, decrease or change in the consideration or the Purchase Price (as defined in the Plan of Arrangement) for purposes of the foregoing) or is materially adverse to any of the Shareholders, provided that, for greater certainty, an extension, or waiver, in whole or in part, of any conditions under the Arrangement, if made in accordance with the Arrangement Agreement, shall not constitute a modification or amendment of the Arrangement in a manner materially adverse to the Shareholders; or (b) the termination of the Arrangement Agreement in accordance with its terms. The undersigned acknowledges that it has consulted or has had the opportunity to consult its own tax and legal advisors with respect to executing this resolution and participating in the Arrangement as a Shareholder, including, without limitation, the potential income tax consequences of the transactions contemplated by the Arrangement.

\_\_\_\_\_  
Name of Shareholder (please print)

By: \_\_\_\_\_  
Signature of Shareholder or its Authorized  
Representative

\_\_\_\_\_  
Official Title or Capacity (please print)

\_\_\_\_\_  
Name of Signatory (please print name of individual  
whose signature appears above if different than  
name of Shareholder)

**APPENDIX C**  
**FAIRNESS OPINION**

See attached.

May 2, 2025

Saguaro Resources Ltd.  
Suite 440, 222 – 3<sup>rd</sup> Avenue SW  
Calgary, Alberta T2P 0B4

To the Board of Directors of Saguaro Resources Ltd. (the “Board”)

ATB Securities Inc. (“ATB”, “ATB Capital Markets”, “we” or “us”) understands that Saguaro Resources Ltd. (“Saguaro” or the “Company”) has entered into an arrangement agreement dated May 2, 2025 (the “Arrangement Agreement”) with Tourmaline Oil Corp. (“Tourmaline”), to effect an arrangement under Section 193 of the *Business Corporations Act (Alberta)* (the “Arrangement”). Under the terms of the Arrangement, Tourmaline will acquire all the issued and outstanding common shares of the Company (each, a “Share”) in consideration for an aggregate number of common shares of Tourmaline (each, a “Tourmaline Share”) equal to the Purchase Price divided by the VWAP Price (as such terms are defined in the Arrangement Agreement), with each holder of Shares (the “Saguaro Shareholders”) receiving that number of Tourmaline Shares as is equal to the number of Shares held by each Saguaro Shareholder immediately prior to the Effective Time (as such term is defined in the Arrangement Agreement) multiplied by the Exchange Ratio (as defined in the Arrangement Agreement) (the “Consideration”).

ATB also understands that Saguaro Shareholders holding not less than 66 2/3% of the issued and outstanding Shares have, as at the date hereof, entered into Support Agreements pursuant to which, among other things, they have agreed to execute the Written Resolution (as defined in the Arrangement Agreement) and to otherwise support the Arrangement.

## ENGAGEMENT OF ATB CAPITAL MARKETS

ATB was formally engaged by the Saguaro pursuant to an engagement agreement dated January 1, 2025 (the “Engagement Agreement”) to provide certain financial advisory services, including, but not limited to the preparation and provision of a fairness opinion to the Board. This opinion (the “Fairness Opinion”) is as to the fairness to the Saguaro Shareholders, from a financial point of view, of the Consideration to be received by Saguaro Shareholders pursuant to the Arrangement.

Pursuant to the terms of the Engagement Agreement, ATB has not been engaged to prepare a formal valuation of any of the assets, liabilities, common shares, performance warrants or other securities involved in the Arrangement, and this Fairness Opinion should not be construed as such. However, ATB has performed financial analyses which we considered to be appropriate and necessary in the circumstances and such analyses support the conclusions reached in this Fairness Opinion. The terms of the Engagement Agreement provide that ATB is to be paid fees for its services as financial advisor, including: (i) a fixed fee that is payable for this Fairness Opinion, regardless of its conclusions, that is not conditional on completion of the Arrangement; and (ii) a fee that is payable upon the successful completion of the Arrangement. The Company has also agreed to reimburse ATB for certain out-of-pocket expenses and to indemnify ATB in respect of certain liabilities which may be incurred by it in connection with the use of the Fairness Opinion by the Company and the Board.

Subject to the terms of the Engagement Agreement, ATB consents to the distribution of this Fairness Opinion to the Saguaro Shareholders with the Written Resolution and certain other information respecting Saguaro and the Arrangement in respect of the review and consideration of the Arrangement by Saguaro Shareholders, and approval thereof, and in connection with all applicable court proceedings and materials necessary to obtain required court approvals to implement the Arrangement. Except as aforesaid and as provided for in the Engagement Agreement, this Fairness Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of ATB.

## **CREDENTIALS OF ATB CAPITAL MARKETS**

ATB is a Canadian investment banking firm with operations across a broad range of financial services, including corporate finance, mergers and acquisitions, equity and debt capital markets, sales and trading, and investment research. ATB and its senior investment banking professionals have participated in a significant number of transactions involving public and private companies and have extensive experience in preparing valuations and fairness opinions.

This Fairness Opinion is the opinion of ATB and its form and content have been approved by a committee of senior investment banking professionals of ATB, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

## **INDEPENDENCE OF ATB CAPITAL MARKETS**

Neither ATB, nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Alberta)) of Saguaro or Tourmaline, or any of their respective associates, affiliates and or controlling entities (collectively, the "Interested Parties"). Other than Saguaro, neither ATB nor any of its affiliates or associates is an advisor to any Interested Party in respect of the Arrangement. ATB Financial, the parent company of ATB, is a corporate lender to Saguaro. ATB may also act as an advisor, and ATB Financial may also be a lender, to other third-party entities in which affiliates of Saguaro may have a controlling interest. Additionally, ATB Financial is a corporate lender to Tourmaline.

ATB and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of the Company or any other Interested Party, and have not had a material financial interest in any transaction involving Saguaro, or any other Interested Party, during the 24 months preceding the date on which ATB was first contacted with respect to its current engagement by Saguaro, other than as described below. Within the 24 months preceding the date on which ATB was first contacted with respect to its current engagement by Saguaro, ATB acted as a co-manager for Tourmaline in an offering of Senior Unsecured Notes and as co-manager for Tourmaline and Topaz Energy Corp. on a secondary offering of Topaz Energy Corp. common shares.

There are no understandings or agreements between ATB and any of the Interested Parties with respect to financial advisory or investment banking business to be provided or to take place subsequent to the closing of the Arrangement. ATB may, in the ordinary course of its business, perform financial advisory or investment banking services for any of the Interested Parties subsequent to the closing of the Arrangement. ATB Financial may provide, subsequent to the closing of the Arrangement, in the ordinary course of business, banking services including loans to Tourmaline or any other Interested Party.

ATB acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may presently have and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties or other clients for which it may have received or may receive compensation. As an investment dealer, ATB conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement, or any of the Interested Parties.

The fees payable to ATB in connection with the foregoing, and including the Engagement Agreement and this Fairness Opinion, are not financially material to ATB.

## SCOPE OF REVIEW

In considering the fairness, from a financial point of view, of the Consideration to be received by Saguaro Shareholders pursuant to the Arrangement, ATB principally considered and relied upon the following approaches: (i) forecasts and historical results provided by management, (ii) reserve analysis and net asset value analysis, (iii) selected relevant peer trading comparisons, (iv) selected relevant precedent transactions, and (v) other quantitative and qualitative measures of the pro forma entity across a number of financial measures.

In connection with this Fairness Opinion, ATB has reviewed and relied upon (without attempting to independently verify the completeness or accuracy of) or carried out, among other things, the following:

- a) Certain financial, operating, corporate and other information as it pertains to Tourmaline and from confidential non-public information prepared by Saguaro management;
- b) A financial model dated April 30, 2025 detailing forecasts for 2025 for Saguaro;
- c) Forecasts published by ATB Research dated April 30, 2025 detailing forecasts for 2025 and 2026 for Tourmaline;
- d) Certain evaluations of oil and gas reserves effective December 31, 2024 prepared by an independent reserve evaluator, as well as the associated Mosaic database for Saguaro;
- e) Certain summaries of oil and gas reserves effective December 31, 2024 prepared by independent reserve evaluators in accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, for Tourmaline;
- f) Lease operating statements from January 2023 to February 2025 for Saguaro;
- g) Audited consolidated financial statements of Saguaro for the year ended December 31, 2023 and December 31, 2024;
- h) Unaudited interim financial statements and management discussion and analysis of Saguaro for the first, second and third quarters of each of the fiscal years 2022, 2023 and 2024;
- i) Audited consolidated financial statements of Tourmaline for the year ended December 31, 2023 and December 31, 2024;
- j) Unaudited interim financial statements and management discussion and analysis of Tourmaline for the first, second and third quarters of each of the fiscal years 2023 and 2024;
- k) The executed Arrangement Agreement dated May 2, 2025;
- l) Access to Saguaro's due diligence folder data provided to Tourmaline in a virtual data room titled "Project T DD";

- m) Various representations contained in the certificate dated May 2, 2025 from senior officers of the Company as to the completeness and accuracy of the information upon which this Fairness Opinion is based; and
- n) Such other corporate, industry and financial market information, investigations and analyses as ATB considered necessary or appropriate in the circumstances, including other transactions and companies of a comparable nature.

In addition to the information detailed above, ATB has: (i) reviewed certain publicly available information pertaining to current and expected future oil and natural gas prices, oilfield activity levels and other economic factors, (ii) reviewed and considered capital market conditions, both current and expected, for the oil and natural gas industry in general, for exploration and production companies, and for Saguaro and Tourmaline specifically, (iii) reviewed the operating and financial performance and business characteristics of Saguaro and Tourmaline relative to the performance of select relevant Canadian exploration and production companies, and (iv) reviewed other financial, securities market and industry information and carried out such other analyses and investigations as ATB considered necessary and appropriate in the circumstances.

ATB was granted full and unrestricted access by Saguaro to its senior management, the Board and legal advisors and was, to the best of our knowledge, provided with all material information.

ATB has not, to the best of our knowledge, been denied access by Saguaro to any information requested by ATB. ATB did not meet with the auditors of Saguaro and has assumed the accuracy, completeness and fair presentation of and has relied upon, without independent verification, the audited financial statements of Saguaro and the reports of the auditor thereon. Further, ATB did not meet with the independent reserve evaluator of Saguaro and has assumed the accuracy and fair presentation of the reserve summaries of Saguaro.

## **PRIOR VALUATIONS**

Saguaro has represented to ATB that, other than reserves evaluations prepared by Saguaro's independent reserves evaluator, there have not been any prior valuations of the Company or its material assets or its securities in the past twenty-four month period.

## **ASSUMPTIONS, LIMITATIONS AND QUALIFICATIONS**

This Fairness Opinion is subject to the assumptions, limitations and qualifications set out below. With Saguaro's acknowledgement and agreement as provided for in the Engagement Agreement, ATB relied upon the accuracy and completeness of all data and other information provided to it by or on behalf of Saguaro. ATB also relied upon data and information obtained by ATB from public sources and otherwise by ATB. This Fairness Opinion is conditional upon the accuracy, completeness and fair presentation of such information. Subject to the exercise of professional judgment, and except as expressly described herein, ATB has not attempted to verify independently the accuracy, completeness or fair presentation of any of such information. Senior officers of Saguaro have represented to ATB, in a certificate dated May 2, 2025, among other things, that the information, data, budgets, company generated reports, evaluations, representations and other material, financial or otherwise, verbal or written, (collectively, the "Information") provided to ATB by Saguaro was, to the best of the knowledge, information and belief of such officers, true and correct, in all material

respects, as at the date the Information was so provided and that, since the date the Information was provided, there has been, to the best of the knowledge, information and belief of such officers, no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Saguario, and there has been no material change or change of any material fact which is of a nature so as to render the Information, taken as a whole, untrue or misleading in any material respect.

With respect to the budgets, forecasts, projections or estimates of Saguario provided to ATB by Saguario and used in its analyses, ATB notes that projected future results are inherently subject to uncertainty. ATB has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions identified therein which ATB has been advised are (or were at the time of preparation and continue to be), in the reasonable belief of the management of Saguario, reasonable in the circumstances. ATB expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions upon which they are based.

In preparing this Fairness Opinion, ATB has made several assumptions, namely that: all conditions to the Arrangement can and will be satisfied in due course, all consents, permissions, exemptions or orders of relevant governmental and regulatory authorities or third parties will be obtained, without adverse conditions or qualifications; that the procedures being followed to implement the Arrangement are valid and effective and comply in all material respects with all applicable laws; and the Written Resolution will be delivered to the Saguario Shareholders in accordance with all applicable laws and will comply, in all material respects, with the requirements of all applicable laws. In its analysis in connection with the preparation of this Fairness Opinion, ATB made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of Saguario. Among other things, ATB has assumed the accuracy, completeness and fair presentation of and has relied upon, without independent verification, the financial statements forming part of the Information.

In rendering this Fairness Opinion, ATB expresses no view as to the likelihood that the conditions respecting the Arrangement will be satisfied or waived or that the Arrangement will be implemented within the time frame anticipated by Saguario. ATB has also assumed that all of the representations and warranties contained in the Arrangement Agreement are true and correct, in all material respects, as of the date of its execution.

This Fairness Opinion has been provided for the use of the Board and is not intended to be, and does not constitute, a recommendation that any Saguario Shareholder should vote in favour or otherwise approve of matters related to the Arrangement, or that any holder of securities convertible or exercisable into Shares should convert or exercise such securities or as to any elections that may be available to a Saguario Shareholder or securityholder pursuant to the Arrangement. Other than as set forth in the Engagement Agreement, this Fairness Opinion may not be used or relied upon by any other person or for any other purpose without the express written consent of ATB. This Fairness Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to Saguario, nor does it address Saguario's business decision to enter into the Arrangement Agreement and to complete the Arrangement. In considering the fairness, from a financial point of view, of the Consideration to be received by Saguario Shareholders pursuant to the Arrangement, ATB considered the Arrangement from the perspective of Saguario Shareholders generally and did not consider the specific circumstances of any particular Saguario Shareholder, including with regard to income tax considerations, or any tax elections (or



deemed tax elections) that a Saguaro Shareholder may make and this Fairness Opinion is not an opinion as to the procedural fairness of the Arrangement. Furthermore, this Fairness Opinion is not, and should not be construed as advice as to the price at which the securities of Saguaro may trade or their potential value at any future date.

ATB was not engaged to review any legal, tax or regulatory aspects of the Arrangement, or other procedural elements of the Arrangement, or the implementation thereof, and this Fairness Opinion does not address such matters. ATB has relied upon, without independent verification, the assessment by Saguaro and its legal advisors with respect to such matters.

This Fairness Opinion is rendered as of the date noted above on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of Saguaro, as they were reflected in the Information provided or otherwise available to ATB. Any changes therein may affect this Fairness Opinion and, although ATB reserves the right to update, change, supplement or withdraw this Fairness Opinion in such event, it disclaims any and all undertaking or obligation to advise any person of any such change that may come to its attention, or to change, supplement or withdraw this Fairness Opinion after the date hereof.

The preparation of a fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. ATB believes that its analyses must be considered in totality and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together as a whole, could create an incomplete view of the process underlying this Fairness Opinion. Accordingly, this Fairness Opinion should be read in its entirety.

#### **FAIRNESS OPINION CONCLUSION**

Based upon and subject to the foregoing, ATB is of the opinion that, as of the date hereof; the Consideration to be received by Saguaro Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Saguaro Shareholders.

This Fairness Opinion may be relied upon by the Board for the purposes of considering the Arrangement, but may not be used or relied upon by any other person, or for any other purpose, without the express prior written consent of ATB, except as otherwise provided herein.

Yours truly,

*ATB Securities Inc.*

ATB Securities Inc.

**APPENDIX D**  
**INTERIM ORDER**

See attached.

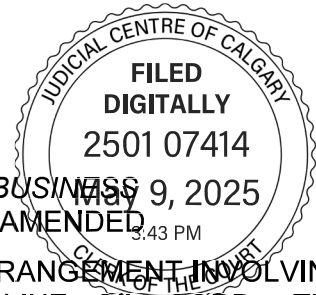
Clerk's stamp

COURT FILE NUMBER 2501- 07414

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED  
AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING SAGUARO RESOURCES LTD., TOURMALINE OIL CORP., THE SHAREHOLDERS OF SAGUARO RESOURCES LTD. AND CERTAIN OTHER SECURITYHOLDERS OF SAGUARO RESOURCES LTD.



DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Burnet, Duckworth & Palmer LLP  
2400, 525 – 8th Avenue S.W.  
Calgary, Alberta T2P 1G1  
Lawyer: Craig O. Alcock  
Phone Number: (403) 260-0120  
Fax Number: (403) 260-0332  
Email Address: [coa@bdplaw.com](mailto:coa@bdplaw.com)  
File No. 71425-33

**DATE ON WHICH ORDER WAS PRONOUNCED:** May 9, 2025

**NAME OF JUDGE WHO MADE THIS ORDER:** Justice J.J. Gill

**LOCATION OF HEARING:** <https://albertacourts.webex.com/meet/virtual.courtroom86>

**UPON** the Originating Application (the "**Originating Application**") of Saguaro Resources Ltd. (the "**Applicant**" or "**Saguaro**") for an Order under Section 193(4) of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the "**ABCA**") in respect of an arrangement under Section 193 of the *ABCA*;

**AND UPON** reading the Originating Application, the affidavit of Stacy Knull, the President, Chief Executive Officer and a director of Saguaro, sworn May 8, 2025 (the "**Affidavit**") and the documents referred to therein;

**AND UPON** being advised that notice of the Originating Application has been given to the Registrar appointed under Section 263 of the *ABCA* (the "**Registrar**");

**AND UPON** hearing counsel for the Applicant;

**FOR THE PURPOSES OF THIS ORDER:**

- (a) the capitalized terms not defined in this Interim Order (the "**Order**") shall have the meanings attributed to them in the draft notice of written resolution of the Applicant (the "**Notice of Written Resolution**") which is attached as **Exhibit "A"** to the Affidavit; and
- (b) all references to "**Arrangement**" used herein mean the arrangement as set forth in the plan of arrangement attached as Exhibit A to the Arrangement Agreement, which is attached as Appendix D to the Notice of Written Resolution.

**IT IS HEREBY ORDERED THAT:**

**Written Resolution**

1. The Applicant shall seek approval of the Arrangement as described in the Notice of Written Resolution from the holders ("**Saguaro Shareholders**") of the common shares of Saguaro ("**Saguaro Shares**") in the manner set forth below.
2. Pursuant to Sections 193(4) and 193(7) of the *ABCA*, Saguaro need not proceed with a meeting of Saguaro Shareholders with respect to the Arrangement and signed Written Resolutions of Saguaro Shareholders holding at least 66 2/3% of the Saguaro Shares approving the Arrangement will be valid pursuant to Section 141 of the *ABCA*.
3. On or before May 15, 2025, the Notice of Written Resolution, substantially in the form attached as Exhibit A to the Affidavit, with such amendments thereto as counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order) and with, as enclosures to the Notice of Written Resolution, a letter of transmittal (the "**LOT**") and a written resolution of the Saguaro Shareholders (the "**Written Resolution**"), together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the "**Shareholder Materials**") will be sent to all Saguaro Shareholders recorded on the books of Saguaro at the close of business on May 9, 2025 (the "**Record Date**") and the Registrar

and the Shareholder Materials other than the LOT and the Written Resolution will be sent to all holders of Saguario Warrants. The Shareholder Materials (excluding the LOT and the Written Resolution in the case of holders of Saguario Warrants) shall be delivered to registered Saguario Shareholders and holders of Saguario Warrants by mail, courier or electronic delivery and the Shareholder Materials shall be delivered to the Registrar by email to corp.reg@gov.ab.ca, by courier or by delivery in person. The only persons entitled to execute the Written Resolution shall be those Saguario Shareholders as of the close of business on the Record Date.

4. Delivery of the Shareholder Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Saguario Shareholders, the holders of Saguario Warrants and the Registrar of the Originating Application and this Order.

#### **Dissent Rights**

5. Registered Saguario Shareholders are, subject to the provisions of this Order and the Plan of Arrangement, accorded the right to dissent under Section 191 of the *ABCA* ("**Dissent Rights**") with respect to the Arrangement Resolution and the right to be paid an amount equal to the fair value of their Saguario Shares by Tourmaline Oil Corp. ("**Purchaser**") in respect of which Dissent Right was validly exercised. For greater certainty, none of the following shall be entitled to exercise Dissent Rights: (a) Saguario Shareholders who have executed and delivered the Written Resolution to Saguario, reflecting such Saguario Shareholder's approval of the Arrangement Resolution; (b) the holders of Saguario Warrants and Additional Saguario Warrants; and (c) any Person who is not a registered holder of Saguario Shares.
6. In order for a registered Saguario Shareholder (a "**Dissenting Shareholder**") to exercise such Dissent Rights under Section 191 of the *ABCA*:
  - (a) notwithstanding subsection 191(5) of the *ABCA*, the Dissenting Shareholder's written objection to the Arrangement Resolution must be received by Saguario, care of its counsel Burnet, Duckworth & Palmer LLP, 2400, 525 - 8th Avenue, S.W., Calgary, Alberta, Canada T2P 1G1, Attention: Craig O. Alcock, by 5:00 p.m. (Calgary time) on May 29, 2025 (or 5:00 p.m. (Calgary time) on the Business Day

that is five Business Days prior to the date of the Final Order (as defined herein) if it is not held on June 5, 2025);

- (b) a Saguaro Shareholder may not exercise Dissent Rights if the Saguaro Shareholder has executed and delivered the Written Resolution to Saguaro, reflecting such Saguaro Shareholder's approval of the Arrangement Resolution;
  - (c) Purchaser shall be required to pay the amount described in subsection 191(3) of the *ABCA* (to the extent modified and supplemented by this Order) to a registered Saguaro Shareholder who duly and validly exercises Dissent Rights and is ultimately entitled to be paid fair value for the Dissenting Shareholder's Saguaro Shares;
  - (d) a Dissenting Shareholder may make an agreement with Purchaser for the purchase of such Dissenting Shareholder's Saguaro Shares in the amount of Purchaser's offer (or otherwise) at any time before an order of the Court pursuant to subsection 191(13) of the *ABCA*;
  - (e) a Saguaro Shareholder may not exercise Dissent Rights in respect of only a portion of the Saguaro Shareholder's Saguaro Shares, but may dissent only with respect to all of the Saguaro Shares held by the Saguaro Shareholder; and
  - (f) the exercise of such Dissent Rights must otherwise comply with the requirements of Section 191 of the *ABCA*, as modified and supplemented by this Order and the Plan of Arrangement.
7. The fair value of the Saguaro Shares to which a Dissenting Shareholder may be entitled pursuant to the Arrangement shall be determined as of the close of business the last Business Day before the date the Final Order is granted by this Honourable Court and shall be paid to Dissenting Shareholders by Purchaser as contemplated by the Plan of Arrangement and this Order.
8. Dissenting Shareholders who validly exercise their Dissent Rights, as set out in paragraphs 5 through 7 above, and who:
- (a) are determined to be entitled to be paid the fair value of their Saguaro Shares,

shall be deemed to have irrevocably transferred such Saguaro Shares as of the time specified in the Plan of Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances to Purchaser in exchange for the fair value of the Saguaro Shares; or

- (b) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Saguaro Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Saguaro Shareholder that does not hold Saguaro Shares prior to the effectiveness of the Arrangement and that does not acquire Saguaro Shares under the Plan of Arrangement, and such Saguaro Shares will be deemed to be exchanged for the number of common shares of Purchaser contemplated under the Arrangement,

but in no event shall the Applicant, Purchaser or any other Person be required to recognize such Saguaro Shareholders as holders of Saguaro Shares after the Effective Time, and the names of such Saguaro Shareholders shall be removed from the applicable register of Saguaro Shares.

9. Subject to further order of this Court, the rights available to the Saguaro Shareholders under the *ABCA*, this Order and the Plan of Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Saguaro Shareholders with respect to the Arrangement Resolution.
10. Notice to the Saguaro Shareholders of their Dissent Rights with respect to the Arrangement Resolution and to receive, subject to the provisions of the *ABCA*, this Order and the Plan of Arrangement, the fair value of the Saguaro Shares to which a Dissenting Shareholder is entitled pursuant to the Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Notice of Written Resolution which is to be sent to Saguaro Shareholders not later than May 15, 2025.

### **Final Application**

11. Subject to further order of this Court, and provided that the Saguaro Shareholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application

for a final order of the Court approving the Arrangement (the "**Final Order**") on June 5, 2025 at 10:00 a.m. (Calgary time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of the proof of filing of the Articles of Arrangement, the Saguaro Shareholders, holders of Saguaro Warrants and Additional Saguaro Warrants, Saguaro, Purchaser and all other persons affected will be bound by the Arrangement in accordance with its terms.

12. Any Saguaro Shareholder, holder of Saguaro Warrants or Additional Saguaro Warrants, or other interested party (each an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 5:00 p.m. (Calgary time) on May 29, 2025 (or 5:00 p.m. (Calgary time) on the Business Day that is five Business Days prior to the date of the Final Order if it is not held on June 5, 2025), a notice of intention to appear ("**Notice of Intention to Appear**") including the Interested Party's address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this notice on the Applicant shall be effected by service upon the solicitors for the Applicant, Burnet, Duckworth & Palmer LLP, 2400, 525 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, facsimile: (403) 260-0332, Attention: Craig O. Alcock.
13. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 12 of this Order, shall have notice of the adjourned date.

#### **Leave to Vary Interim Order**

14. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.

#### **Court Filed Documents**

15. A signed copy of this Order shall be sufficient to provide with the Notice of Written



Resolution, as directed herein, even if it does not yet bear a filing stamp from the Court of King's Bench of Alberta.

*"John Gill"*

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Justice of the Court of King's Bench of  
Alberta





