



**NOTICE OF SPECIAL MEETING**  
**and**  
**MANAGEMENT PROXY CIRCULAR**  
**FOR THE SPECIAL MEETING OF SHAREHOLDERS**  
**to be held on April 30, 2021**  
**with respect to a proposed**  
**AMALGAMATION**  
**of**  
**OSUM OIL SANDS CORP.**  
**and**  
**WEF OSUM ACQUISITION CORP.**

**April 6, 2021**

*These materials are important and require your immediate attention. They require holders of common shares of Osum Oil Sands Corp. ("**Osum**") to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you have any questions or require more information with respect to voting your common shares of Osum, please contact Kingsdale Advisors at 1-866-581-0506 (toll free).*

April 6, 2021

Dear Osum Shareholder:

You are invited to submit your proxy to vote at a special meeting (the "**Meeting**") of holders ("**Osum Shareholders**") of common shares ("**Osum Shares**") of Osum Oil Sands Corp. ("**Osum**") to be held at 9:00 a.m. (Calgary time) at the offices of Blake, Cassels & Graydon LLP located at Suite 3500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4J8 on April 30, 2021. At the Meeting, you will be asked to consider and vote upon a special resolution to approve the amalgamation (the "**Amalgamation**") of Osum with WEF Osum Acquisition Corp. ("**WOAC**"), upon the terms and subject to the satisfaction or waiver of the conditions set forth in the amalgamation agreement (the "**Amalgamation Agreement**") dated April 6, 2021 between Osum and WOAC, and to confirm, ratify and approve the Amalgamation Agreement (the "**Amalgamation Resolution**"). **Please complete the enclosed form of proxy and submit it as soon as possible.**

The Amalgamation Agreement provides that, among other things, Osum will amalgamate with WOAC to form an amalgamated corporation ("**Amalco**"), which will be wholly-owned by Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP (collectively, "**WEF**"). Pursuant to the Amalgamation, each issued and outstanding Osum Share (other than those held by WOAC, WEF and any dissenting Osum Shareholders) shall be converted into one Series A Preferred Share in the capital of Amalco (an "**Amalco Redeemable Preferred Share**"). Immediately following the issuance of the certificate of amalgamation in relation to the Amalgamation, each Amalco Redeemable Preferred Share will be redeemed for \$3.00 in cash per share (the "**Redemption Consideration**"), which is the same form and amount of consideration offered to Osum Shareholders under WOAC's offer to purchase up to 57,000,000 Osum Shares by way of take-over bid dated November 4, 2020, as amended (the "**Offer**"). Osum Shareholders will not receive certificates representing the Amalco Redeemable Preferred Shares issuable but instead will receive the aggregate Redemption Consideration to which they are entitled (after deduction for any applicable withholding taxes required by law).

Further details regarding the Amalgamation, including the background and reasons for the Amalgamation, are set out in the notice of special meeting and management proxy circular of Osum dated April 6, 2021 (the "**Circular**"), which accompanies this letter.

Upon completion of the Amalgamation on the terms described in the Circular, WEF will hold all of the issued and outstanding shares of Amalco, the successor to Osum.

Registered Osum Shareholders will be entitled to exercise dissent rights in respect of the Amalgamation. Such Osum Shareholders wishing to exercise rights of dissent in respect of the Amalgamation should do so in accordance with the dissent provisions of the *Business Corporations Act* (Alberta), as discussed in the Circular.

The Amalgamation Resolution must be approved by a majority of not less than 66⅔% of the votes cast by Osum Shareholders, either in person or by proxy, at the Meeting. WOAC and WEF collectively hold approximately 87% of the issued and outstanding Osum Shares and have advised Osum that each intends to vote all of its Osum Shares in favour of the Amalgamation Resolution. The votes attached to the Osum Shares held by WOAC and WEF are sufficient to enable the required approvals of the Amalgamation Resolution to be obtained.

If the approval of the Amalgamation Resolution is obtained and if all other conditions to the Amalgamation becoming effective are satisfied or waived, it is expected that the Amalgamation will become effective on or about April 30, 2021 or as soon as practicable thereafter and, in any case, prior to July 13, 2021.

The Osum Board recommends that Osum Shareholders vote in favour of the Amalgamation Resolution.

The Circular contains a detailed description of the Amalgamation. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors.

**Due to the ongoing COVID-19 pandemic, Osum encourages Osum Shareholders and duly appointed proxyholders to not attend the Meeting in person, particularly if they are experiencing any of the**

**described COVID-19 symptoms.** In order to vote your Osum Shares without attending the Meeting in person, and ensure your representation at the Meeting, please complete and deliver the form of proxy, which is enclosed, in order to ensure your representation at the Meeting. Osum Shareholders may opt to listen to the Meeting via Zoom. In order to access the Meeting via Zoom, attendees will need to visit <https://us02web.zoom.us/join> and download the application onto their computer or smart device and, once the application is loaded, enter the "Meeting ID" and "Meeting Passcode" (see Meeting instructions in the enclosed Circular under the section entitled "Meeting Information"). **This is not a virtual meeting and, as such, Osum Shareholders cannot vote as part of the conference call and are encouraged to submit their proxies ahead of the Meeting.** See the section entitled "Meeting Information" in the enclosed Circular.

We reserve the right to take any additional precautionary measures we deem necessary or advisable in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including changing the location of the Meeting, hosting the meeting solely by means of remote communication, or placing restrictions on in-person attendance. Changes to the Meeting location, its date or means of holding the Meeting will be announced by way of press release, which will be filed on Osum's website at [www.osumcorp.com](http://www.osumcorp.com). Please monitor our press releases for updated information. We advise you to check Osum's website one week prior to the meeting date for the most current information. We do not intend to prepare or mail amended meeting materials in the event of changes to the meeting location or format.

Also enclosed is a letter of transmittal for use by registered Osum Shareholders, containing complete instructions on how to exchange your Osum Shares for the Redemption Consideration you will be entitled to receive upon completion of the Amalgamation. You should complete the accompanying letter of transmittal and deliver the completed document, together with the certificates, or Direct Registration System statements evidencing Osum Shares issued under the name of the applicable Osum Shareholder and registered electronically in Osum's records, representing your Osum Shares, to Kingsdale Advisors (in accordance with the instructions set forth in the letter of transmittal), to facilitate delivery of the Redemption Consideration that you will be entitled to upon the completion of the Amalgamation. Osum Shareholders whose Osum Shares are registered in the name of a broker, dealer, bank, trust company or other nominee should immediately contact such person to arrange for the deposit of their Osum Shares.

Yours truly,

(signed) "*Adam Waterous*"

Adam Waterous  
Chairman of the Board  
Osum Oil Sands Corp.

## OSUM OIL SANDS CORP.

### NOTICE OF SPECIAL MEETING OF SHAREHOLDERS to be held on Friday, April 30, 2021

**NOTICE IS HEREBY GIVEN** that a special meeting (the "**Meeting**") of the holders (the "**Osum Shareholders**") of common shares ("**Osum Shares**") of Osum Oil Sands Corp. ("**Osum**") will be held at 9:00 a.m. (Calgary time) at the offices of Blake, Cassels & Graydon LLP located at Suite 3500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4J8 on April 30, 2021, for the following purposes:

1. to consider and, if deemed advisable, to approve, with or without variation, a special resolution (the "**Amalgamation Resolution**"), the full text of which is set out in Appendix A to the management proxy circular of Osum dated April 6, 2021 (the "**Circular**") accompanying this notice of special meeting, authorizing and approving an amalgamation of Osum and WEF Osum Acquisition Corp. ("**WOAC**"), substantially upon the terms and conditions set forth in the amalgamation agreement dated April 6, 2021 between Osum and WOAC (the "**Amalgamation Agreement**"), a copy of which is included as Appendix B to the Circular, and confirm, approve and ratify the Amalgamation Agreement (the "**Amalgamation Resolution**"); and
2. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The Amalgamation Resolution must be approved by a majority of not less than 66 $\frac{2}{3}$ % of the eligible votes cast by Osum Shareholders, either in person or by proxy, at the Meeting. Specific details of the matters to be put before the Meeting are set forth in the accompanying Circular.

Pursuant to Section 191 of the *Business Corporations Act* (Alberta) (the "**ABCA**"), each registered Osum Shareholder has the right to dissent in respect of the Amalgamation Resolution and, if the Amalgamation becomes effective, to be paid the fair value of such registered Osum Shareholder's Osum Shares. To exercise such right, (a) written notice of dissent to the Amalgamation Resolution must be sent to Osum c/o Blake, Cassels & Graydon LLP, Suite 3500, 855 – 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper / Renee Reichelt before the Meeting or deposited with the Chair of the Meeting at the Meeting, and (b) the Osum Shareholder must have otherwise complied with the provisions of Section 191 of the ABCA. The right to dissent is described in the accompanying Circular and the full text of Section 191 of the ABCA is set forth in Appendix C to the Circular.

For more detailed information about the matters to be considered at the Meeting, Osum Shareholders should read the accompanying Circular dated April 6, 2021. Capitalized terms used in this Notice of Special Meeting that are not defined in this Notice of Special Meeting are defined in the Circular.

Osum has fixed April 6, 2021 as the record date (the "**Record Date**") for determining the Osum Shareholders entitled to receive notice of the Meeting or any adjournment or postponement thereof. Only Persons registered as holders of Osum Shares on the records of Osum as of the close of business on April 6, 2021 are entitled to receive notice of, and to vote or act at, the Meeting, provided that, to the extent that a registered Osum Shareholder transfers the ownership of any Osum Shares after the Record Date and the transferee of those Osum Shares establishes ownership and demands, not later than 10 days before the Meeting to be included in the list of Osum Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Osum Shares at the Meeting.

**Due to the ongoing COVID-19 pandemic, Osum encourages Osum Shareholders and duly appointed proxyholders to not attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms.** In order to vote your Osum Shares without attending the Meeting in person, and ensure your representation at the Meeting, please complete and deliver the form of proxy, which is enclosed, in order to ensure your representation at the Meeting. Osum Shareholders may opt to listen to the Meeting via Zoom. In order to access the Meeting via Zoom, attendees will need to visit <https://us02web.zoom.us/join> and download the application onto their computer or smart device. Once the application is loaded, enter the "Meeting ID" and "Meeting Passcode" set forth below:

- **Meeting ID:** 864 9718 2806
- **Meeting Passcode:** 906334

**This is not a virtual meeting and, as such, Osum Shareholders cannot vote as part of the conference call and are encouraged to submit their proxies ahead of the Meeting.** See the section entitled "Meeting Information" in the enclosed Circular.

If you are a registered Osum Shareholder, whether or not you plan to attend the Meeting, please complete, date and sign the enclosed form of proxy and mail it to, or deposit it with, Osum's transfer agent, Alliance Trust Company, by mail to Suite 1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, or by fax, at (403) 237-6181 Attention: Client Services, by email to [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca), or at [www.alliancetrust.ca/shareholders](http://www.alliancetrust.ca/shareholders) and entering the 12 digit control number listed on your proxy. **In order to be valid and acted upon at the Meeting, properly completed forms of proxy must be received by the Transfer Agent not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof.**

The attached Circular contains important information regarding the business to be conducted at the Meeting. Osum Shareholders are strongly urged to review this information carefully.

**DATED** at Calgary, Alberta on April 6, 2021.

(signed) *"Adam Waterous"*

Adam Waterous  
Chairman of the Board  
Osum Oil Sands Corp.

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## INTRODUCTION

This Circular is furnished in connection with the solicitation of proxies by and on behalf of Management for use at the Meeting and any adjournments or postponements thereof. No Person has been authorized to give any information or make any representation in connection with the Amalgamation other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Amalgamation Agreement in this Circular are qualified in their entirety by reference to the complete text of the Amalgamation Agreement which is attached as Appendix B to this Circular. **You are urged to carefully read the full text of the Amalgamation Agreement (including the schedules attached thereto).**

This Circular does not constitute an offer to sell or a solicitation of an offer to purchase any securities or the solicitation of a proxy to or from any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or a proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "Glossary of Terms".

Information contained in this Circular is given as of April 6, 2021, unless otherwise specifically stated.

### NOTICE TO SHAREHOLDERS OUTSIDE OF CANADA

This document has been prepared in accordance with the disclosure requirements of applicable Laws (as defined herein) in Canada. Osum Shareholders (as defined herein) should be aware that these requirements are different from those of the United States or other jurisdictions.

Osum Shareholders who are resident in, or citizens of, the United States or other jurisdictions, should be aware that the transactions contemplated by the Amalgamation may have tax consequences in Canada, the United States and in other foreign jurisdictions. Such consequences may not be fully described herein and Osum Shareholders are urged to consult their own tax advisors. See "Certain Canadian Federal Income Tax Considerations".

It may be difficult for Osum Shareholders in the United States to enforce their rights and any claim they may have arising under United States federal securities Laws since the Corporation, WOAC and WEF are existing under the Laws of a province of Canada, some or all of the officers and directors of each of the Corporation, WOAC and WEF reside outside the United States, some of the experts named herein may reside outside the United States, and all or a substantial portion of the assets of the Corporation, WOAC and WEF and the other above-mentioned persons are located outside the United States. Osum Shareholders in the United States may not be able to sue the Corporation, WOAC or WEF, or their respective officers or directors, in a non-U.S. court for violation of United States federal securities Laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce a judgment obtained from a court of the United States.

**THE AMALCO REDEEMABLE PREFERRED SHARES (AS DEFINED HEREIN) TO BE ISSUED IN THE AMALGAMATION HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY U.S. STATE SECURITIES REGULATORY AUTHORITY, NOR HAS THE SEC OR ANY SUCH STATE REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT AND ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Circular constitute forward-looking statements. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements.

In particular, this Circular contains forward-looking statements pertaining to: the timing of the Meeting; the expected effective date of the Amalgamation and the immediate redemption of the Amalco Redeemable Preferred Shares; and anticipated Canadian federal income tax treatment.

These forward-looking statements are based on certain expectations and assumptions, including expectations and assumptions respecting: the structure, steps, timing and effect of the Amalgamation; the timing of the Meeting; the receipt of the requisite approval of the Amalgamation Resolution from Osum Shareholders at the Meeting; the satisfaction or waiver (to the extent capable of waiver) of all conditions to the completion of the Amalgamation in accordance with the terms of the Amalgamation Agreement; the completion of the Amalgamation and the anticipated Effective Date; and the effect of the Amalgamation on Osum, WOAC, WEF and Amalco.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Osum believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Circular should not be unduly relied upon. These statements speak only as of the date of this Circular.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include: the Amalgamation Agreement may be terminated in certain circumstances; if the Amalgamation is not completed, Osum's future businesses and operations could be harmed; the Amalgamation may not be completed due to the failure to satisfy any conditions set out in the Amalgamation Agreement, including certain conditions, which are not in the control of Osum or WOAC; and forward-looking information contained in this Circular may prove inaccurate.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Circular are expressly qualified by this cautionary statement. Except as required by Law, Osum does not undertake any obligation to publicly update or revise any forward-looking statements.

Readers should also carefully consider the matters discussed under the headings "Risk Factors", "Certain Canadian Federal Income Tax Considerations" and other risks described elsewhere in this Circular.



## GLOSSARY OF TERMS

The following is a glossary of terms used frequently throughout this Circular, including under "Summary Information" hereof. Terms and abbreviations used in the Appendices to this Circular are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

"**ABCA**" means the *Business Corporations Act*, RSA 2000, c B-9, as amended, including the regulations promulgated thereunder;

"**affiliate**" has the meaning given to that term in section 2 of the ASA;

"**Amalco**" means the corporation continuing as a result of the Amalgamation;

"**Amalco Common Shares**" means the Common Shares in the capital of Amalco, having the rights, privileges, restrictions and conditions set out in Schedule "A" to the Amalgamation Agreement;

"**Amalco Redeemable Preferred Shares**" means the Series A Preferred Shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in Schedule "A" to the Amalgamation Agreement;

"**Amalgamation**" means the amalgamation of the Corporation and WOAC under Section 181 of the ABCA, pursuant to the terms of the Amalgamation Agreement;

"**Amalgamation Agreement**" means the amalgamation agreement (including the schedules attached thereto) dated April 6, 2021 between the Corporation and WOAC, as may be supplemented, modified or amended in accordance with its terms, a copy of which is included as Appendix B to this Circular;

"**Amalgamation Resolution**" means the special resolution to approve the Amalgamation and to confirm, ratify and approve the Amalgamation Agreement to be presented to Osum Shareholders for approval at the Meeting, substantially in the form attached hereto as Appendix A;

"**ARC**" means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation, substantially in the form set out in Schedule "B" of the Amalgamation Agreement, required under Section 185(1) of the ABCA to be filed with the Registrar to give effect to the Amalgamation;

"**ASA**" means the *Securities Act* (Alberta), as amended from time to time;

"**associate**" has the meaning given to that term in section 1 of the ASA;

"**Beneficial Shareholder**" means a beneficial owner of Osum Shares;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar pursuant to Section 185(4) of the ABCA giving effect to the Amalgamation;

"**Circular**" means this Management Proxy Circular;

"**Competition Act**" means the *Competition Act* (Canada);

"**Competition Act Clearance**" means, with respect to the Amalgamation, either: (a) the Commissioner has issued an ARC, which ARC shall not have been rescinded or amended; or (b) (i) any applicable waiting period, including any extension of a waiting period, under Section 123 of the Competition Act shall have expired or been terminated, or the requirement to submit a notification shall have been waived under

paragraph 113(c) of the Competition Act, and (ii) unless waived by Osum and WOAC, Osum and WOAC shall have received a No-Action Letter without any condition or on conditions that are acceptable to Osum and WOAC, in their reasonable judgment, which No-Action Letter shall not have been rescinded or amended;

**"Corporation"** or **"Osum"**, including references to **"we"**, **"us"**, **"ours"** and similar terms, means Osum Oil Sands Corp., a corporation governed by the ABCA;

**"Court"** means the Court of Queen's Bench of Alberta;

**"Depository"** means Kingsdale Partners LP, operating as Kingsdale Advisors;

**"Dissent Rights"** means the rights of dissent that will apply in relation to the Amalgamation pursuant to Section 191 of the ABCA;

**"Dissenting Shareholder"** means a registered Osum Shareholder who, in connection with the Amalgamation Resolution, has validly exercised the right to dissent pursuant to Section 191 of the ABCA in strict compliance with the provisions thereof and who has not withdrawn the notice of the exercise of such rights as provided in Section 191 of the ABCA, and in respect of which the Corporation has not rescinded the resolution to approve and adopt the Amalgamation Agreement and the Amalgamation;

**"DRS Statement"** means a Direct Registration System statement evidencing Osum Shares issued under the name of the applicable Osum Shareholder and registered electronically in Osum's records;

**"Effective Date"** means the date shown on the Certificate of Amalgamation;

**"Effective Time"** means the time on the Effective Date at which the Amalgamation becomes effective;

**"fair value"**, where used in relation to an Osum Share held by a Dissenting Shareholder, means fair value as determined by the Court under Section 191 of the ABCA or as agreed between Osum or its successor and the Dissenting Shareholder;

**"Governmental Entity"** means: (a) any multinational or supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) or taxing authority thereof, or any ministry or department or agency of any of the foregoing; (b) any self-regulatory organization or stock exchange; (c) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and (d) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies;

**"Initial Interest Acquisition"** means the acquisition by WEF of an aggregate of 60,035,152 Osum Shares at a purchase price of \$2.40 per Osum Share;

**"Intermediaries"** means brokers, nominees or other persons holding the Osum Shares in their names for others;

**"Laws"** means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, by-laws, rules, regulations, ordinances, or other requirements, policies or instruments of any Governmental Entity having the force of law and the term "applicable" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person or its 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;

**"Letter of Transmittal"** means the letter of transmittal (in the form printed on YELLOW paper) accompanying this Circular, to be completed by registered holders of Osum Shares;

**"Management"** means the management of the Corporation;

**"Meeting"** means the special meeting of Osum Shareholders to be held at 9:00 a.m. (Calgary time) at the offices of Blake, Cassels & Graydon LLP located at Suite 3500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4J8 on April 30, 2021, and any adjournments or postponements thereof;

**"MI 61-101"** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

**"Minority Shares"** means the 135,186,961 issued and outstanding Osum Shares less the 60,035,152 Osum Shares held by WEF prior to the Offer and would be required to be excluded in determining whether minority approval of the Amalgamation has been obtained in accordance with MI 61-101;

**"NI 62-104"** means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

**"No-Action Letter"** means a letter from the Commissioner advising the parties in writing that he does not, at that time, intend to challenge the transaction by making an application to the Competition Tribunal under Section 92 of the Competition Act;

**"Notice of Meeting"** means the Notice of Special Meeting accompanying this Circular;

**"Offer"** means the offer by WOAC dated November 4, 2020, as amended, made to Osum Shareholders to acquire up to 57,000,000 Osum Shares at a price of \$3.00 per share;

**"Offer and Circular"** means, collectively, the offer to purchase and take-over bid circular of WOAC dated November 4, 2020, as amended by a notice of variation and change dated February 18, 2021 and a notice of extension dated March 2, 2021;

**"Option Plan"** means the Incentive Stock Option Plan of Osum dated August 18, 2008;

**"Osum Options"** means outstanding options under the Option Plan;

**"Osum Board"** means the board of directors of Osum, as constituted from time to time;

**"Osum Shareholders"** or **"you"** means the holders of Osum Shares;

**"Osum Shares"** means the common shares in the capital of the Corporation;

**"Parties"** means, collectively, the parties to the Amalgamation Agreement, and **"Party"** shall be construed to mean Osum or WOAC;

**"Person"** includes an individual, a corporation, a partnership, a trust, a fund and an association, a syndication, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person's capacity as trustee, executor, administrator or personal or other legal representative;

**"Record Date"** means April 6, 2021, the record date for determining Osum Shareholders entitled to receive notice of and vote at the Meeting;

**"Redemption Consideration"** means the consideration payable upon the immediate redemption of the Amalco Redeemable Preferred Shares, being \$3.00 per Amalco Redeemable Preferred Share in cash;

**"Registrar"** means the Registrar appointed under the ABCA;

**"Share Certificates"** means certificates representing Osum Shares (other than certificates held by Dissenting Shareholders which, following the Amalgamation, represent only the right to receive payment in accordance with Section 191 of the ABCA);

"**Tax Act**" means the *Income Tax Act*, RSC 1985, c 1, (5<sup>th</sup> Suppl), as amended;

"**Transfer Agent**" means Alliance Trust Company;

"**WEF**" means, collectively, Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP, each an Alberta limited partnership; and

"**WOAC**" means WEF Osum Acquisition Corp., a corporation governed by the ABCA.

## SUMMARY INFORMATION

*The following is a summary of certain information contained elsewhere in this Circular, including the Appendices hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the Appendices hereto. Terms with initial capital letters used in this summary are defined in the "Glossary of Terms".*

### **The Meeting**

The Meeting will be held at 9:00 a.m. (Calgary time) at the offices of Blake, Cassels & Graydon LLP located at Suite 3500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4J8 on April 30, 2021 for the purposes set forth in the Notice of Meeting. At the Meeting, Osum Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, the Amalgamation Resolution.

The Record Date of the Meeting is April 6, 2021. Osum Shareholders of record will be entitled to vote those Osum Shares included in the list of Osum Shareholders prepared as at the Record Date. If an Osum Shareholder transfers Osum Shares after the Record Date and the transferee of those Osum Shares, having produced properly endorsed Share Certificate(s) or DRS Statement(s), as applicable, or having otherwise established that the transferee owns such Osum Shares, demands, at least 10 days before the Meeting, that the transferee's name be included in the list of Osum Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Osum Shares at the Meeting.

### **The Amalgamation**

Osum entered into the Amalgamation Agreement with WOAC on April 6, 2021. A copy of the Amalgamation Agreement is attached as Appendix B to this Circular.

Under the Amalgamation, Osum and WOAC will amalgamate as one corporation, being Amalco, under the name "Osum Oil Sands Corp." and, among other things:

- (a) each issued and outstanding Osum Share (other than those held by WOAC, WEF and any Dissenting Shareholders) shall be converted into one Amalco Redeemable Preferred Share (each of which will be redeemed for \$3.00 in cash immediately following the issuance of the Amalco Redeemable Preferred Shares at the Effective Time);
- (b) each issued and outstanding Osum Share held by WOAC shall be cancelled;
- (c) each issued and outstanding Osum Share held by WEF shall be converted into 0.999999 Amalco Common Share;
- (d) each issued and outstanding Common Share of WOAC shall be converted into 0.000001 Amalco Common Share; and
- (e) each issued and outstanding Osum Share held by each Dissenting Shareholder shall be cancelled.

Provided the Amalgamation becomes effective, each issued and outstanding Osum Share held by each Dissenting Shareholder shall be cancelled and each Dissenting Shareholder will be entitled to be paid the fair value of the Osum Shares in respect of which the holder dissents in accordance with Section 191 of the ABCA. See "The Amalgamation – Dissent Rights".

As a result of the Amalgamation: (i) Osum Shareholders (other than WOAC, WEF and any Dissenting Shareholders) will receive the Redemption Consideration for their Osum Shares; and (ii) Amalco will become wholly-owned by WEF. See "The Amalgamation – The Amalgamation Agreement". The Redemption Consideration is the same, in amount and form, as the consideration that was available to Osum Shareholders under the Offer.

As of the date of this Circular, WOAC currently holds 56,999,475 Osum Shares, representing approximately 42.2% of the issued and outstanding Osum Shares, and WEF currently holds 60,035,152 Osum Shares,

representing approximately 44.4% of the issued and outstanding Osum Shares. There are currently 135,186,961 Osum Shares issued and outstanding, of which 18,152,334 Osum Shares are not otherwise beneficially owned or controlled, directly or indirectly, by WOAC or WEF, and assuming that there are no Dissenting Shareholders, such 18,152,334 Osum Shares not otherwise beneficially owned or controlled, directly or indirectly, by WOAC or WEF will be converted into 18,152,334 Amalco Redeemable Preferred Shares which will be redeemed for an aggregate consideration of approximately \$54,457,002 in cash.

See "The Amalgamation – General Details of the Amalgamation".

### **Background to the Amalgamation**

On June 30, 2020, WEF Management Corp, on behalf of WEF, submitted a proposal to purchase the Osum Shares that were being offered by Blackstone Capital Partners ("**Blackstone**"), GIC Private Limited ("**GIC**") and Warburg Pincus LLC ("**Warburg**", and together with Blackstone and GIC, the "**Initial Selling Shareholders**"). On July 16, 2020, WEF signed a purchase and sale agreement with each of the Initial Selling Shareholders providing for the Initial Interest Acquisition.

The execution of the Amalgamation Agreement by the Parties represents the culmination of a process that commenced on November 4, 2020 with the Offer. In the Offer and other documents prepared by WOAC and WEF in respect of the Offer, WOAC and WEF disclosed their intention to acquire all of the Osum Shares not acquired under the Offer by means of a subsequent acquisition transaction. This Circular contains a summary of the events that preceded the execution and announcement of the Amalgamation Agreement.

On April 6, 2021, the Osum Board approved the contents and mailing of this Circular to Osum Shareholders and the Osum Board unanimously recommends that Osum Shareholders vote in favour of the Amalgamation Resolution.

See "The Amalgamation – Background to the Amalgamation".

### **The Amalgamation Agreement**

The obligations of the Parties to complete the transactions contemplated by the Amalgamation Agreement are subject to the satisfaction or waiver of certain conditions set out in the Amalgamation Agreement. These conditions include, among others, the receipt of the approval of the Amalgamation Resolution by Osum Shareholders. Upon all the conditions to the Amalgamation being fulfilled or waived, Osum is required to file the Articles of Amalgamation with the Registrar in order to give effect to the Amalgamation.

The above is qualified in its entirety by the full text of the Amalgamation Agreement, which is attached as Appendix B to this Circular, and by the more detailed summary contained elsewhere in this Circular.

See "The Amalgamation – The Amalgamation Agreement" and Appendix B for a copy of the Amalgamation Agreement.

### **Cashless Exercise of Osum Options**

On April 6, 2021, in accordance with the Option Plan, the Osum Board approved cashless exercise of all outstanding Osum Options and the termination and cancellation of any remaining outstanding Osum Options immediately prior to the Effective Time of the Amalgamation. In accordance with the resolutions of the Osum Board, the holders of Osum Options are permitted to exercise the Osum Options at any time prior to the Effective Date of the Amalgamation. Any holder of Osum Options is hereby authorized, at such holder's election, to receive in respect of all or a portion of their outstanding Osum Options, that number of Osum Shares per Osum Option equal to the difference in value between the Redemption Consideration, being \$3.00 per Osum Share, and the option price, against surrender of such Osum Option by the holder to Osum for no additional consideration. The Option Plan and any Osum Options remaining outstanding immediately prior to the Effective Time shall be automatically terminated and cancelled.

## Shareholder Approvals

In order to be effective, the Amalgamation Resolution must be approved by a majority of at least 66⅔% of the votes cast by Osum Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting in accordance with the ABCA. See Appendix A to this Circular for the full text of the Amalgamation Resolution. In addition, notwithstanding that the requirements pertaining to protection of minority security holders under MI 61-101 do not apply to the Amalgamation as Osum is not a "reporting issuer" under applicable securities Laws, Osum, WOAC and WEF intend to comply with certain applicable requirements thereof with respect to "business combination" transactions to seek at least a simple majority of the votes cast by "minority" Osum Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting in accordance with MI 61-101.

WOAC and WEF currently hold approximately 87% of the issued and outstanding Osum Shares. WOAC and WEF have advised Osum that they intend to vote, or cause to be voted, all of their Osum Shares in favour of the Amalgamation Resolution. Additionally, WOAC currently holds approximately 42.2% of the issued and outstanding Osum Shares, or approximately 75.8% of the Minority Shares, and would be entitled to vote the Osum Shares acquired by it under the Offer as "minority" Osum Shares. **Accordingly, WEF and WOAC hold a sufficient number of Osum Shares to ensure that the Amalgamation Resolution is approved.**

Each of the WEF entities has executed a written resolution in its capacity as a shareholder of WOAC approving the Amalgamation and the Amalgamation Agreement.

See "The Amalgamation – Shareholder Approvals", "The Amalgamation – Securities Law Matters" and "Meeting Information – Procedure and Votes Required".

## Required Approvals

To the best of the knowledge of Osum, other than the Competition Act Clearance, there are no filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Entity in connection with the Amalgamation. Osum expects to obtain the Competition Act Clearance on or before April 30, 2021.

See "The Amalgamation – Required Approvals".

## Timing

If the Meeting is held as scheduled and is not adjourned or postponed and the other necessary conditions at that point in time are satisfied or waived, and all other conditions set forth in the Amalgamation Agreement are satisfied or waived, Osum expects the Effective Date will be on or about April 30, 2021 or as soon as practicable thereafter and, in any case, prior to July 13, 2021. It is not possible, however, to state with certainty when the Effective Date will occur.

See "The Amalgamation – Timing".

## Dissent Rights

Only registered holders of Osum Shares have Dissent Rights with respect to the Amalgamation Resolution. To exercise such Dissent Rights a registered Osum Shareholder must send to Osum a written objection to the Amalgamation Resolution at or before the Meeting. Written objections sent before the Meeting may be delivered to Osum c/o Blake, Cassels & Graydon LLP, Suite 3500, 855 – 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper / Renee Reichelt, and such holder must otherwise comply with Section 191 of the ABCA. Provided the Amalgamation becomes effective, each Dissenting Shareholder will be entitled to be paid the fair value of the Osum Shares in respect of which the holder dissents in accordance with Section 191 of the ABCA. See Appendix C for a copy of Section 191 of the ABCA.

The statutory provisions covering the right to dissent are technical and complex. Failure to strictly comply with the requirements set forth in Section 191 of the ABCA may result in the loss of Dissent Rights. Persons who are Beneficial Shareholders whose Osum Shares are registered in the name of a broker, dealer, bank,

trust company or other nominee who wish to dissent, should be aware that only the registered holder of such Osum Shares is entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise his, her or its Dissent Right must make arrangements for such Osum Shares beneficially owned to be registered in such holder's name prior to the time the written objection to the Amalgamation Resolution is required to be received by Osum, or alternatively, make arrangements for the registered holder to dissent on such holder's behalf. A registered Osum Shareholder may not exercise their Dissent Right in respect of only a portion of such holder's Osum Shares. It is strongly encouraged that any Osum Shareholder wishing to exercise Dissent Rights seek independent legal advice, as the failure to strictly comply with the provisions of the ABCA may prejudice such Dissent Rights.

See "The Amalgamation – Dissent Rights".

### **Canadian Federal Income Tax Considerations**

This Circular contains a summary of the principal Canadian federal income tax considerations relevant to Osum Shareholders with respect to the Amalgamation. This Circular does not address any tax considerations of the Amalgamation other than the federal Canadian income tax consequences applicable to Osum Shareholders. Osum Shareholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Amalgamation under the tax Laws of the jurisdiction in which they are resident, including any associated filing requirements, in such jurisdictions. All Osum Shareholders should also consult their own tax advisors regarding relevant provincial, territorial or state tax considerations of the Amalgamation.

See "Certain Canadian Federal Income Tax Considerations".

### **Risk Factors**

There are a number of risks related specifically to the Amalgamation, including:

- the Amalgamation Agreement may be terminated in certain circumstances;
- if the Amalgamation is not completed, Osum's future businesses and operations could be harmed;
- the Amalgamation may not be completed due to the failure to satisfy any conditions set out in the Amalgamation Agreement, including certain conditions, which are not in the control of Osum or WOAC; and
- forward-looking information contained in this Circular may prove inaccurate.

See "Risk Factors".

In addition, whether or not the Amalgamation is completed, Osum will continue to face many of the risks that it currently faces with respect to its business and affairs.



## MEETING INFORMATION

### Attendance at Meeting

Due to the ongoing COVID-19 pandemic, Osum asks that Osum Shareholders consider the advice and instructions of the Public Health Agency of Canada ([www.canada.ca/en/public-health.html](http://www.canada.ca/en/public-health.html)) and Alberta Health Services ([www.albertahealthservices.ca](http://www.albertahealthservices.ca)) when deciding whether to attend the Meeting in person. Access to the Meeting will be limited to registered Osum Shareholders and duly appointed proxyholders entitled to attend and vote at the Meeting. Osum encourages registered Osum Shareholders and duly appointed proxyholders to not attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms. Osum will be required to comply with any restrictions on the size of gatherings in effect on the date of the Meeting. Osum encourages Osum Shareholders to vote their Osum Shares prior to the Meeting by following the instructions set out in the form of proxy received by such Osum Shareholders.

Osum Shareholders may opt to listen to the Meeting via Zoom. In order to access the Meeting via Zoom, attendees will need to visit <https://us02web.zoom.us/join> and download the application onto their computer or smart device. Once the application is loaded, enter the "Meeting ID" and "Meeting Passcode" set forth below:

- Meeting ID: 864 9718 2806
- Meeting Passcode: 906334

**This is not a virtual meeting and, as such, Osum Shareholders cannot vote as part of the conference call and are encouraged to submit their proxies ahead of the Meeting.**

We reserve the right to take any additional precautionary measures we deem necessary or advisable in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including changing the location of the Meeting, hosting the meeting solely by means of remote communication, or placing restrictions on in-person attendance. Changes to the Meeting location, its date or means of holding the Meeting will be announced by way of press release, which will be filed on Osum's website at [www.osumcorp.com](http://www.osumcorp.com). Please monitor our press releases for updated information. We advise you to check Osum's website one week prior to the meeting date for the most current information. We do not intend to prepare or mail amended meeting materials in the event of changes to the meeting location or format.

### Purpose of the Meeting

There is one item of business on the agenda:

- (a) The Amalgamation

You are being asked to vote on the proposed Amalgamation whereby the Corporation and WOAC will amalgamate and continue as one corporation. The consideration to be received by Osum Shareholders (other than WOAC, WEF and any Dissenting Shareholders) in connection with the Amalgamation is the same form and amount of consideration offered to Osum Shareholders under the Offer. WOAC and WEF together currently hold approximately 87% of the issued and outstanding Osum Shares and have advised that they intend to vote all of their Osum Shares in favour of the Amalgamation Resolution.

- (b) Other Business

We are not aware of any other items of business to be considered at the Meeting. However, if other items of business are properly brought before the Meeting or at any adjournment or postponement of the Meeting, the accompanying form of proxy provides the proxyholder with discretion to vote as they deem appropriate in respect of any such matter.

### How to Vote

If you are a registered Osum Shareholder, you can vote as follows:

- (a) **To vote in person** – do not complete and return a form of proxy but simply attend the Meeting where your vote will be taken and counted. Be sure to register with the Transfer Agent when you arrive at the Meeting. **However, registered Osum Shareholders who plan to vote in person should review and consider the information under the heading "Attendance at Meeting".**
- (b) **To vote by proxy** – you can convey your voting instructions by completing your proxy and returning it to the Transfer Agent. **By doing so, your Osum Shares will be voted at the Meeting by Robert Morgan or Michael Makinson who are the Management appointees named on the accompanying proxy, or by another Person specified by you on your completed proxy.** Please read and follow the instructions on the back of the proxy form on how to convey your voting instructions. Your proxy must be received by 9:00 a.m. (Calgary time) on Wednesday, April 28, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting.
- (c) **To vote by internet** – you can vote by internet by following the instructions in your proxy. Your voting instructions must be received by 9:00 a.m (Calgary time) on Wednesday, April 28, 2021, or not less than 48 hours before any adjournment or postponement of the Meeting.

If you are a Beneficial Shareholder, your nominee will have its own means of conveying voting instructions, which should be carefully followed.

If you hold Osum Shares both as a registered Osum Shareholder and as a Beneficial Shareholder, you will need to convey your vote using the applicable procedures for each type of holding.

#### **Quorum**

We can only hold the Meeting and transact business if, at the beginning of the Meeting, there are at least two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than five (5%) percent of the outstanding shares of the Corporation carrying voting rights at the Meeting.

#### **Procedure and Votes Required**

Only Osum Shareholders of the Record Date are entitled to receive notice of the Meeting. Osum Shareholders of record will be entitled to vote those Osum Shares included in the applicable list of Osum Shareholders prepared as at the Record Date. If an Osum Shareholder transfers Osum Shares after the Record Date and the transferee of those Osum Shares, having produced properly endorsed Share Certificate(s) or DRS Statement(s), as applicable, or having otherwise established that the transferee owns such Osum Shares, demands, at least 10 days before the Meeting, that the transferee's name be included in the list of Osum Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Osum Shares at the Meeting.

In order to be effective, the Amalgamation Resolution must be approved by a majority of at least 66 $\frac{2}{3}$ % of the votes cast by Osum Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting in accordance with the ABCA. In addition, notwithstanding that the requirements pertaining to protection of minority security holders under MI 61-101 do not apply to the Amalgamation as Osum is not a "reporting issuer" under applicable securities Laws, Osum, WOAC and WEF intend to comply with certain applicable requirements thereof with respect to "business combination" transactions to seek at least a simple majority of the votes cast by "minority" Osum Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting in accordance with MI 61-101.

WOAC and WEF currently hold approximately 87% of the issued and outstanding Osum Shares. WOAC and WEF have advised Osum that they intend to vote, or cause to be voted, all of their Osum Shares in favour of the Amalgamation Resolution. Additionally, WOAC currently holds approximately 42.2% of the issued and outstanding Osum Shares, or approximately 75.8% of the Minority Shares, and would be entitled to vote the Osum Shares acquired by it under the Offer as "minority" Osum Shares.

**Accordingly, WOAC and WEF hold a sufficient number of Osum Shares to ensure that the Amalgamation Resolution is approved.**

The Amalgamation must also be approved by the shareholders of WOAC. Each of the WEF entities has executed a written resolution in its capacity as a shareholder of WOAC approving the Amalgamation and the Amalgamation Agreement.

## SOLICITATION OF PROXIES

### Solicitation of Proxies by Management

**This Circular is furnished in connection with the solicitation of proxies from Osum Shareholders by Management for use at the Meeting, and at any adjournment or postponement thereof.**

**Unless otherwise directed by the Osum Shareholders appointing them as proxy, the nominees named in the enclosed form of proxy intend to vote FOR the Amalgamation Resolution.**

### Costs and Manner of Solicitation

Solicitation of proxies will be primarily by mail, but directors, officers and employees of the Corporation may, without special compensation, solicit proxies in person or by telephone, facsimile or other form of electronic communication. The cost of this solicitation of proxies and the preparation and mailing of this Circular will be borne by the Corporation.

The Corporation is not sending proxy-related materials directly to any beneficial owners of Osum Shares and it plans to have any such materials distributed by Intermediaries. Intermediaries shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to any beneficial owners of such shares.

## APPOINTMENT AND REVOCATION OF PROXY

### Appointment of Proxies

If you wish to have your Osum Shares voted at the Meeting by proxy, you must submit a properly completed instrument of proxy to Alliance Trust Company, by mail to Suite 1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, or by fax, at (403) 237-6181 Attention: Client Services, by email to [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca), or at [www.alliancetrust.ca/shareholders](http://www.alliancetrust.ca/shareholders) and entering the 12 digit control number listed on your proxy. **In order to be valid and acted upon at the Meeting, properly completed forms of proxy must be received by the Transfer Agent not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment or postponement thereof. The Chair of the Meeting has the ability to waive or extend the proxy cut-off without notice at their discretion.**

You are only entitled to receive notice of, and to vote or act at, the Meeting or any adjournment or postponement thereof if you were a Osum Shareholder of record at the close of business on the Record Date (Tuesday, April 6, 2021). If you became an Osum Shareholder after the Record Date, except as provided for in the ABCA, you cannot vote at the Meeting or any adjournment or postponement thereof. In accordance with the ABCA, to the extent that a registered Osum Shareholder transfers the ownership of any Osum Shares after the Record Date and the transferee of those Osum Shares establishes ownership and demands, not later than ten days before the Meeting to be included in the list of Osum Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Osum Shares at the Meeting.

If you want to appoint a proxy, you must do so in a written document appointing a proxy and the document must be executed by you or by your duly authorized attorney in writing. If you are a corporation, the document must be executed under corporate seal by your duly authorized officer or attorney. An instrument of proxy signed by a Person acting as attorney or in some other representative capacity should expressly reflect such capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing his or her qualification and authority to so act.

If you receive more than one form of proxy because you own Osum Shares registered in different names or addresses, each form of proxy should be completed and returned.

**The nominees designated in the enclosed form of proxy furnished by Management are directors and officers of the Corporation. If you are entitled to vote at the Meeting, you may appoint a Person other than those named in the enclosed form of proxy to attend and act for and on behalf of you at the Meeting or any adjournment or postponement thereof. To exercise this right, you must insert the name of the Person you want to represent you (who does not need to be an Osum Shareholder) in the blank space provided in the enclosed form of proxy and submit such form in the manner described above, or submit another appropriate instrument of proxy.**

### **Revocation of Proxy**

If you have submitted a form of proxy, you may revoke it at any time prior to the exercise of that proxy by depositing an instrument in writing executed by you or your attorney or authorized agent, either with Alliance Trust Company, by mail to Suite 1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, Attention: Client Services, at any time up to and including the second last Business Day preceding the date of the Meeting or any adjournment or postponement thereof, or with the Chair of the Meeting on the day of the Meeting or prior to the commencement of the adjourned or postponed meeting. Upon making either such deposit, your prior proxy is revoked. You may also revoke a previously given proxy by completing, signing and validly depositing a proxy bearing a later date, by personally attending the Meeting and voting your Osum Shares in person, or in any other manner permitted by law. If you conveyed your voting instructions by internet then conveying new instructions will revoke your prior instructions.

### **Voting of Proxies and Exercise of Discretion by Proxyholders**

On any ballot taken at the Meeting, the nominees named in the enclosed form of proxy will vote the Osum Shares in respect of which they have been appointed nominee in accordance with the directions of the Osum Shareholders appointing them. In the absence of such direction, the Osum Shares represented by valid instruments of proxy executed in favour of the Management nominees and deposited in the manner described above will be voted **FOR** the Amalgamation Resolution.

**The enclosed form of proxy gives the nominees named in the proxy form discretionary authority regarding any amendments or variations of the matters identified in the proxy and Notice of Meeting. The proxy form also gives the nominees discretionary authority to act on any other matters that may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, none of Osum, the Osum Board or Management knows of any such amendments, variations or other matters that may be presented for consideration at the Meeting.**

### **Advice to Beneficial Holders of Osum Shares**

**The information set forth in this section is very important to you if you do not hold Osum Shares in your own name.** If you hold Osum Shares through an Intermediary or otherwise in a manner other than as a registered holder of Osum Shares, you should note that only proxies deposited by Persons whose names appear on the records of the Corporation as the registered holders of Osum Shares will be recognized and acted upon at the Meeting.

Osum Shares that are listed in an account statement provided to you by an Intermediary are probably not registered in your own name on the records of the Corporation. Such Osum Shares are more likely to be registered in the name of your Intermediary or an agent of such Intermediary. Osum Shares held by Intermediaries on your behalf can only be voted (for or against resolutions) at your direction. Without specific instructions, Intermediaries are prohibited from voting Osum Shares for their clients. You should ensure that instructions regarding the voting of your Osum Shares are communicated to the appropriate Person before the deadline.

Applicable regulatory policy in Canada requires Intermediaries to seek voting instructions from you in advance of shareholder meetings. Each Intermediary has its own mailing procedures and provides its own return instructions to clients. You should carefully follow these procedures and instructions to ensure that your Osum Shares are voted at the Meeting.

In some cases, the form of proxy provided to you by or on behalf of your Intermediary is very similar, even identical, to the enclosed form of proxy being solicited by Management. The purpose of the form of proxy

provided by or on behalf of an Intermediary, however, is limited to instructing the registered holder (the Intermediary, or an agent thereof) how to vote on your behalf.

Although you may not be recognized directly at the Meeting for the purposes of voting Osum Shares registered in the name of your Intermediary, you may attend the Meeting as proxyholder for the registered holder and vote your Osum Shares in that capacity. If you wish to attend the Meeting and indirectly vote your own Osum Shares, you must do so as proxyholder for the registered holder. To do this, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your Intermediary (or the agent of your Intermediary) in accordance with their instructions well in advance of the Meeting. However, registered Osum Shareholders who plan to vote in person should review and consider the information under the heading "Meeting Information - Attendance at Meeting" above.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Each Osum Share entitles the holder of such Osum Share to one vote on all matters coming before the Meeting. Only Osum Shareholders of record as of the close of business on the Record Date (Tuesday, April 6, 2021) are entitled to receive notice of the Meeting. As at the close of business on the Record Date, there were 135,186,961 Osum Shares issued and outstanding.

To the knowledge of the directors and executive officers of Osum, other than WOAC and WEF, no Person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Osum Shares. As of the date of the Circular, WOAC currently holds 56,999,475 Osum Shares, representing approximately 42.2% of the issued and outstanding Osum Shares, and the WEF entities currently hold an aggregate of 60,035,152 Osum Shares, representing approximately 44.4% of the issued and outstanding Osum Shares, as follows:

<b>WEF Entity</b>	<b>Share Ownership (Number of Shares)</b>	<b>Share Ownership (%)</b>
Waterous Energy Fund (Canadian) LP	4,023,064	2.98
Waterous Energy Fund (US) LP	8,049,662	5.95
Waterous Energy Fund (International) LP	8,850,655	6.55
WEF Osum Co-Invest I LP	15,823,125	11.70
WEF Osum Co-Invest II LP	13,343,646	9.87
WEF Osum Co-Invest III LP	9,945,000	7.36
<b>Total</b>	<b>60,035,152</b>	<b>44.41</b>

## THE AMALGAMATION

### General Details of the Amalgamation

As a result of the Amalgamation: (i) Osum Shareholders (other than WOAC, WEF and any Dissenting Shareholders) will receive Amalco Redeemable Preferred Shares for their Osum Shares (and the Amalco Redeemable Preferred Shares will be immediately redeemed for the Redemption Consideration); and (ii) Amalco will become wholly-owned by WEF. See "The Amalgamation – The Amalgamation Agreement". The Redemption Consideration is the same as the consideration that was available to Osum Shareholders under the Offer.

Under the Amalgamation, Osum and WOAC will amalgamate as one corporation, being Amalco, under the name "Osum Oil Sands Corp." and, among other things:

- (a) each issued and outstanding Osum Share (other than those held by WOAC, WEF and any Dissenting Shareholders) shall be converted into one Amalco Redeemable Preferred Share (each of which will be redeemed for \$3.00 in cash immediately following the issuance of the Amalco Redeemable Preferred Shares at the Effective Time);
- (b) each issued and outstanding Osum Share held by WOAC shall be cancelled;
- (c) each issued and outstanding Osum Share held by WEF shall be converted into 0.999999 Amalco Common Share;

- (d) each issued and outstanding Common Share of WOAC shall be converted into 0.000001 Amalco Common Share; and
- (e) each issued and outstanding Osum Share held by each Dissenting Shareholder shall be cancelled.

Provided the Amalgamation becomes effective, each issued and outstanding Osum Share held by each Dissenting Shareholder shall be cancelled and each Dissenting Shareholder will be entitled to be paid the fair value of the Osum Shares in respect of which the holder dissents in accordance with Section 191 of the ABCA.

In accordance with the ABCA, on the Effective Date:

- (a) the amalgamation of Osum and WOAC and their continuance as one corporation shall become effective;
- (b) the property of each of Osum and WOAC continues to be the property of Amalco;
- (c) Amalco continues to be liable for the obligations of each of Osum and WOAC;
- (d) an existing cause of action, claim or liability to prosecution is unaffected;
- (e) a civil, criminal or administrative action or proceeding pending by or against either Osum or WOAC may be continued to be prosecuted by or against Amalco;
- (f) a conviction against, or ruling, order or judgment in favour of or against, an either Osum or WOAC may be enforced by or against Amalco; and
- (g) the Articles of Amalgamation are deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco.

As of the date of this Circular, WOAC currently holds 56,999,475 Osum Shares, representing approximately 42.2% of the issued and outstanding Osum Shares, and WEF currently hold 60,035,152 Osum Shares, representing approximately 44.4% of the issued and outstanding Osum Shares. There are currently 135,186,961 Osum Shares issued and outstanding, of which 18,152,334 Osum Shares are not otherwise beneficially owned or controlled, directly or indirectly, by WOAC or WEF, and assuming that there are no Dissenting Shareholders, such 18,152,334 Osum Shares not otherwise beneficially owned or controlled, directly or indirectly, by WOAC or WEF will be converted into 18,152,334 Amalco Redeemable Preferred Shares which will be redeemed for an aggregate of \$54,457,002 in cash.

The Amalgamation Agreement provides that any Share Certificate(s) or DRS Statement(s), as applicable, formerly representing Osum Shares not deposited together with all other documents as required by 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 and the Redemption Consideration shall be forfeited to Amalco (or any successor thereof).

### **Background to the Amalgamation**

On July 16, 2020, WEF signed a purchase and sale agreement with each of the Initial Selling Shareholders following a competitive, broad sale process run by RBC Capital Markets and TD Securities, Inc. on behalf of the Initial Selling Shareholders.

On July 31, 2020, the Initial Interest Acquisition was completed and in conjunction with closing, Blackstone and Warburg assigned each of their investor rights agreements to WEF pursuant to which WEF received, among other things, the right to nominate four nominees to the Osum Board. Effective August 5, 2020, Blackstone and Warburg's representatives on the Osum Board were replaced by Messrs. Robert Morgan, Andrew Kim, Michael Buckingham and Adam Waterous.

On November 4, 2020, WOAC commenced a formal take-over bid to purchase up to 52,500,000 Osum Shares at a price of \$2.40 per share. In the Offer and Circular, WEF and WOAC disclosed that they intended to acquire the remainder of the Osum Shares by way of amalgamation, statutory arrangement, capital reorganization, amendment to Osum's articles, consolidation or other transaction involving WOAC and/or an affiliate of WOAC and Osum and/or the Osum Shareholders. The Offer and Circular complied with requirements under Section 8.2 of MI 61-101. On November 17, 2020, the Offer and Circular were mailed to each of the securityholders of Osum in accordance with the requirements set forth under NI 62-104.

On December 3, 2020, Osum made an application (the "**Application**") to the Alberta Securities Commission (the "**ASC**") for a cease-trade order in respect of the Offer. On January 26, 2021, the ASC heard the Application. WOAC and WEF opposed the Application and reaffirmed the accuracy and validity of the statements made in the Offer with respect to availability of financing for the Offer and entitlement to rely on an exemption from the formal valuation requirement under MI 61-101. On January 28, 2021, the ASC dismissed the Application in its entirety.

Effective February 16, 2021, Francesco Mele voluntarily resigned from the Osum Board.

On February 18, 2021, WOAC entered into lock-up agreements with certain of Osum's directors and officers holding an aggregate of 3,579,412 Osum Shares, whereby such individuals agreed to tender their Osum Shares to the Offer.

Additionally, on February 18, 2021, WOAC increased its offer to up to 57,000,000 Osum Shares at a price of \$3.00 per share and extended the expiry time of the offer to 11:59 p.m. (Vancouver time) on March 1, 2021.

On February 23, 2021, Osum announced that the Osum Board had withdrawn its recommendation that Osum Shareholders reject the Offer.

On March 2, 2021, WEF announced that at the initial expiry of the offer, WOAC had taken up and paid for 34,697,358 Osum Shares on March 1, 2021 and announced the commencement of the statutorily mandatory 10-day extension period, thereby further extending the expiry time of the Offer to 11:59 p.m. (Vancouver time) on March 12, 2021.

Additionally, on March 2, 2021, four additional directors, being Steve Spence, George Crookshank, William Friley and Vincent Chahley voluntarily resigned from the Osum Board. As a result, the remaining members of the Osum Board were Adam Waterous, Michael Buckingham, Andrew Kim and Rob Morgan. Certain Osum executive officers, being Steve Spence (President and Chief Executive Officer), Victor Roskey (Chief Financial Officer), Rick K. Walsh (Chief Operating Officer) and Dr. Peter Putnam (Sr. Vice President, Geoscience) also voluntarily resigned effective March 2, 2021 and Rob Morgan was appointed as President and Chief Operating Officer and Michael Makinson was appointed as Chief Financial Officer of Osum.

During the mandatory 10-day extension period, a sufficient number of additional Osum Shares were tendered such that the total number of Osum Shares deposited exceeded the 57,000,000 maximum Osum Shares that WOAC offered to acquire. At the expiry of the mandatory 10-day extension period on March 12, 2021, WOAC proportionately took up and paid for an additional 22,302,117 Osum Shares.

On April 6, 2021, each of the Osum Board and the board of directors of WOAC approved the Amalgamation and the Amalgamation Agreement and Osum and WOAC executed the Amalgamation Agreement. Osum has called the Meeting to present the Amalgamation Resolution to the Osum Shareholders for approval as part of the subsequent acquisition transaction described in the Offer and Circular. The consideration to be received by Osum Shareholders (other than WOAC, WEF and any Dissenting Shareholders) in connection with the Amalgamation is the same form and amount of consideration offered and paid to Osum Shareholders under the Offer.

### **Approval of the Osum Board**

On April 6, 2021, the Osum Board approved the Amalgamation and the Amalgamation Agreement and recommends that Osum Shareholders vote **FOR** the Amalgamation Resolution. The Osum Board has also approved this Circular and authorized the delivery of this Circular to Osum Shareholders.

Notwithstanding the recommendation of the Osum Board that Osum Shareholders vote in favour of the Amalgamation Resolution, Osum Shareholders should make their own decision whether to vote their Osum Shares in favour of the Amalgamation Resolution and, if appropriate, should consult their own legal, tax, financial or other professional advisors in making that decision.

Two of the directors of Osum, being Adam Waterous and Andrew Kim, are the sole director and the Chief Financial Officer, respectively, of WOAC, and each of the directors of Osum can be considered to have a material interest in the Amalgamation and Amalgamation due to their nomination to the Osum Board by WEF and their affiliation with WEF and WOAC. Each of the directors of Osum disclosed their interest in the Amalgamation and the Amalgamation Agreement in accordance with Section 120(1) of the ABCA. As the Amalgamation and the Amalgamation Agreement are, respectively, a transaction and a contract with WOAC, which is an affiliate (as such term is defined in section 1(b) of the ABCA) of Osum, the Osum Board approved these matters pursuant to Section 120(6)(d) of the ABCA.

### **Reasons for the Amalgamation**

In reaching the above-described approval, the Osum Board noted that the completion of the Amalgamation was in accordance with WOAC's previously publicly disclosed intention as contained in the Offer and Circular.

**As a result of the Amalgamation, Osum will be wholly-owned by WEF. For additional details with respect to WEF's reasons for undertaking the Offer and the Amalgamation and the proposed benefits of the transaction for Osum Shareholders, Osum Shareholders are urged to consult the Offer and Circular.**

### **Shareholder Approvals**

In order to be effective, the Amalgamation Resolution must be approved by a majority of at least 66⅔% of the votes cast by Osum Shareholders, present in person or by proxy at the Meeting and entitled to vote at the Meeting in accordance with the ABCA. See Appendix A to this Circular for the full text of the Amalgamation Resolution.

In addition, notwithstanding that the requirements pertaining to protection of minority security holders under MI 61-101 do not apply to the Amalgamation as Osum is not a "reporting issuer" under applicable securities Laws, Osum, WOAC and WEF intend to comply with certain applicable requirements thereof with respect to "business combination" transactions to seek at least a simple majority of the votes cast by "minority" Osum Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting in accordance with MI 61-101. MI 61-101 would also provide that the Osum Shares acquired by WOAC pursuant to the Offer may be treated as "minority" Osum Shares and may be included as votes in favour of the Amalgamation in determining whether minority approval has been obtained if the consideration per Osum Share under the Amalgamation is at least equal in value to and is in the same form as the consideration per Osum Share paid under the Offer and certain other conditions are met. All of the 56,999,475 Osum Shares acquired by WOAC pursuant to the Offer, representing approximately 42.2% of the issued and outstanding Osum Shares, or approximately 75.8% of the Minority Shares, would be entitled to be voted by WOAC as "minority" Osum Shares under MI 61-101. WOAC and WEF currently hold approximately 87% of the issued and outstanding Osum Shares. WOAC and WEF have each advised Osum that they intend to vote, or cause to be voted, all of their Osum Shares in favour of the Amalgamation Resolution.

**Accordingly, WEF and WOAC hold a sufficient number of Osum Shares to ensure that the Amalgamation Resolution is approved.**

Each of the WEF entities has executed a written resolution in its capacity as a shareholder of WOAC approving the Amalgamation and the Amalgamation Agreement.

See "Meeting Information – Procedure and Votes Required" and "The Amalgamation – Securities Law Matters".



## Required Approvals

To the best knowledge of Osum, other than the Competition Act Clearance (as further described below), there are no filings, consents, waiting periods or approvals required to be made with, applicable to, or required to be received from any Governmental Entity in connection with the Amalgamation. Osum expects to obtain the Competition Act Clearance on or before April 30, 2021.

Under Part IX of the Competition Act, a transaction that exceeds certain financial thresholds set out in sections 109 and 110 of the Competition Act (a "**Notifiable Transaction**") requires notification to the Commissioner of Competition (the "**Commissioner**"). Based upon an examination of financial information for Osum and WOAC, it has been determined that the Amalgamation constitutes a Notifiable Transaction.

Subject to certain exceptions, a Notifiable Transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to subsection 114(1) of the Competition Act to the Commissioner (the "**Notifications**") and the applicable waiting period has expired or been terminated early by the Commissioner.

The statutory waiting period is 30 calendar days after the day on which the parties to the Notifiable Transaction submit their Notifications, provided that, before the expiry of this period, the Commissioner has not notified the parties pursuant to subsection 114(2) of the Competition Act that the Commissioner requires additional information that is relevant to the Commissioner's assessment of the transaction (a "**Supplementary Information Request**"). If the Commissioner provides the parties with a Supplementary Information Request, the parties cannot complete the transaction until 30 calendar days after compliance with the Supplementary Information Request (unless an ARC or No-Action Letter is issued before the expiry of such extended period) and cannot complete the transaction after that 30 day period if there is any Competition Tribunal order in effect prohibiting completion of the transaction at that time.

## Timing

If the Meeting is held as scheduled and is not adjourned or postponed and the other necessary conditions at that point in time are satisfied or waived, and all other conditions set forth in the Amalgamation Agreement are satisfied or waived, Osum expects the Effective Date will be on or about April 30, 2021 or as soon as practicable thereafter and, in any case, prior to July 13, 2021. It is not possible, however, to state with certainty when the Effective Date will occur.

The Amalgamation will be deemed to be effective at 12:01 a.m. on the date the Certificate of Amalgamation is issued.

## Cashless Exercise of Osum Options

On April 6, 2021, in accordance with the Option Plan, the Osum Board approved cashless exercise of all outstanding Osum Options and the termination and cancellation of any remaining outstanding Osum Options immediately prior to the Effective Time of the Amalgamation. In accordance with the resolutions of the Osum Board, the holders of Osum Options are permitted to exercise the Osum Options at any time prior to the Effective Date of the Amalgamation. Any holder of Osum Options is hereby authorized, at such holder's election, to receive in respect of all or a portion of their outstanding Osum Options, that number of Osum Shares per Osum Option equal to the difference in value between the Redemption Consideration, being \$3.00 per Osum Share, and the option price, against surrender of such Osum Option by the holder to Osum for no additional consideration. The Option Plan and any Osum Options remaining outstanding immediately prior to the Effective Time shall be automatically terminated and cancelled.

## The Amalgamation Agreement

*The following is a summary of certain material terms of the Amalgamation Agreement. This summary has been included to provide Osum Shareholders with factual information with respect to the terms of the Amalgamation Agreement and is qualified in its entirety by reference to the full text thereof, a copy of which is included as Appendix B to this Circular. Readers are urged to consult the full text of the Amalgamation Agreement for further information.*

The Amalgamation will be carried out pursuant to Sections 181 and 182 of the ABCA and will be effected in accordance with the terms of the Amalgamation Agreement. Upon approval by the Osum Shareholders, satisfaction or waiver of all other conditions as provided for in the Amalgamation Agreement and the filing of the Articles of Amalgamation, the Amalgamation will become effective at the Effective Time.

The Effective Date of the Amalgamation is expected to be on or about April 30, 2021 or as soon as practicable thereafter and, in any case, prior to July 13, 2021. On the Effective Date, Osum and WOAC will amalgamate and continue as one corporation, Amalco, under the name "Osum Oil Sands Corp.", with Osum Shareholders each receiving one Amalco Redeemable Preferred Share for each Osum Share held (other than those Osum Shares held by WOAC, WEF and any Dissenting Shareholders). Upon the completion of the Amalgamation, Amalco will be wholly-owned by WEF and the Amalco Redeemable Preferred Shares will be immediately redeemed for \$3.00 in cash per share. See "The Amalgamation – General Details of the Amalgamation".

The Amalgamation Agreement contains certain customary representations and warranties of each of Osum and WOAC relating to, among other things, capitalization and their respective valid existence and corporate power and authority, including their respective authority to enter into the Amalgamation Agreement and to consummate the Amalgamation.

The respective obligations of the Parties to consummate the transactions contemplated under the Amalgamation Agreement, including the Amalgamation, are subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by the mutual consent of the Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Amalgamation Agreement and the transactions contemplated thereby, including the Amalgamation, shall have been approved by the shareholders of each of Osum and WOAC in accordance with the provisions of the ABCA and any other applicable regulatory requirements;
- (b) all consents, orders, approvals and authorizations, including the Competition Act Clearance and any other governmental or regulatory approvals, orders, rulings and exemptions, required or necessary for the consummation of the transactions contemplated under the Amalgamation Agreement, including the Amalgamation, shall have been obtained on terms and conditions satisfactory to each of Osum and WOAC, acting reasonably;
- (c) there shall not be in force any order or decree which would restrain or enjoin the consummation of the transactions contemplated by the Amalgamation Agreement, including the Amalgamation; and
- (d) each of Osum and WOAC shall be satisfied that there are reasonable grounds for believing that at the Effective Time and after payment of the consideration pursuant to the Amalgamation:
  - (i) Amalco will be able to pay its liabilities as they become due;
  - (ii) the realizable value of Amalco's assets will not be less than the aggregate of its liabilities; and
  - (iii) no creditor will be prejudiced by the Amalgamation.

The Amalgamation Agreement may, prior to the issuance of the Certificate of Amalgamation, be terminated by any Party, notwithstanding the approval of this Agreement by the Osum Shareholders.

The Amalgamation Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the Parties without, subject to applicable law, further notice to or authorization on the part of their respective shareholders, provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Osum Shareholders in exchange for their Osum Shares without approval by the Osum Shareholders, given in the same manner as required for the approval of the Amalgamation.

The Amalgamation Agreement provides that any Share Certificate(s) or DRS Statement(s), as applicable, formerly representing Osum Shares which is not deposited with the Depository or its successor or such other Person as determined by Amalco 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.

### **Procedure for Exchange of Osum Shares**

#### *General*

No certificates for Amalco Redeemable Preferred Shares will be issued to Osum Shareholders by the Depository, as such shares will be redeemed immediately following the Effective Time. Share Certificate(s) or DRS Statement(s), as applicable, shall be deemed to represent Amalco Redeemable Preferred Shares received on Amalgamation and Osum Shareholders who validly deliver such Share Certificate(s) or DRS Statement(s), as applicable, representing the Amalco Redeemable Preferred Shares received on Amalgamation by such Osum Shareholder with the Letter of Transmittal and all other required documentation to the Depository will receive a cheque for such Osum Shareholder's aggregate Redemption Consideration (after deduction for any applicable withholding taxes required by Law) in respect of the Amalco Redeemable Preferred Shares deemed to be issued and forthwith redeemed immediately following the Effective Time.

Osum Shareholders whose Osum Shares are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee for information on the exchange of their Osum Shares for Amalco Redeemable Preferred Shares.

The use of mail to transmit Share Certificate(s) or DRS Statement(s), as applicable, representing the Amalco Redeemable Preferred Shares received on Amalgamation and the Letter of Transmittal is at each holder's risk. Osum recommends that such Share Certificate(s) or DRS Statement(s), as applicable, and other documents be delivered by hand to the Depository and a receipt therefor be obtained or, if mailed, that registered mail with return receipt be used and that the appropriate insurance be obtained.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any documentation deposited pursuant to the Amalgamation will be determined by Osum (or its successor) and the Depository in their sole discretion. Depositing Osum Shareholders agree that such determination shall be final and binding. Osum reserves the absolute right to reject any and all deposits which Osum determines not to be in proper form or which may be unlawful for it to accept under the applicable Laws. There shall be no duty or obligation on Osum (or its successor), the Depository or any other Person to give notice of any defect or irregularity in any deposit made by an Osum Shareholder pursuant to the Amalgamation and no liability shall be incurred by any of them for failure to give such notice.

The Parties have retained the services of the Depository for the receipt of Share Certificate(s) or DRS Statement(s), as applicable, representing Amalco Redeemable Preferred Shares and the related Letters of Transmittal and other documentation required to be deposited pursuant to the Amalgamation and for the payment of the Redemption Consideration by Amalco to the holders of Amalco Redeemable Preferred Shares immediately following the Effective Time, in accordance with the Amalgamation. The Depository will receive reasonable and customary compensation from the Parties for its services in connection with the Amalgamation, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under applicable Canadian securities Laws and expenses in connection therewith.

From and after the Effective Time, Share Certificate(s) or DRS Statement(s), as applicable, formerly representing Osum Shares exchanged pursuant to the Amalgamation shall represent only the right to receive the Redemption Consideration (after deduction for any applicable withholding taxes required by Law) to which the holders are entitled.

### **Cancellation of Rights**

Each Share Certificate or DRS Statement, as applicable, formerly representing Osum Shares that is not deposited with all other documents as required pursuant to the Amalgamation 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 to receive the Redemption Consideration to which a former Osum Shareholder is entitled and the Redemption Consideration shall be forfeited to Amalco (or any successor thereof).

### **Mail Services Interruption**

Notwithstanding the provisions of this Circular, the Letter of Transmittal and the Amalgamation Agreement, Share Certificate(s) or DRS Statement(s), as applicable, to be returned if applicable and cheques representing the Redemption Consideration will not be mailed if the Parties determine that delivery thereof by mail may be delayed. Notwithstanding the foregoing paragraph, Share Certificate(s) or DRS Statement(s), as applicable, and other relevant documents, not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery at the office of the Depository at which such Share Certificate(s) or DRS Statement(s), as applicable, and other relevant documents, were deposited.

### **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 Osum Shares and is qualified in its entirety by the reference to the text of Section 191 of the ABCA, which is attached to this Circular as Appendix C. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Section 191 of the ABCA. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.**

A registered Osum Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by Amalco the fair value of the Osum Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last Business Day before the day on which Amalgamation Resolution was adopted. **Only registered Osum Shareholders may dissent. Persons who are Beneficial Shareholders who hold Osum Shares registered in the name of a broker, dealer, bank, trust company or other nominee who wish to dissent should be aware that they may only do so through the registered owner of such Osum Shares. Accordingly, a Beneficial Shareholder desiring to exercise Dissent Rights must make arrangements for the Osum 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 Amalgamation Resolution is required to be received by Osum or, alternatively, make arrangements for the registered holder of such Osum Shares to dissent on behalf of the Beneficial Shareholder.**

**A Dissenting Shareholder must send to Osum a written objection to the Amalgamation Resolution (a "Dissent Notice"), which Dissent Notice must be received by Osum c/o Blake, Cassels & Graydon LLP, Suite 3500, 855 – 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 4J8, Attention: David Tupper / Renee Reichelt, at or before the Meeting. The ABCA does not provide, and Osum will not assume, that a vote against the Amalgamation Resolution constitutes a Dissent Notice. A registered holder of Osum Shares may not exercise a right to dissent in respect of only a portion of such holder's Osum Shares, but may dissent only with respect to all of the Osum Shares held by the holder.**

An application may be made to the Court by Amalco or by a Dissenting Shareholder after adoption of the Amalgamation Resolution to fix the fair value of the Dissenting Shareholder's Osum Shares. If such an application to the Court is made by either Amalco or a Dissenting Shareholder, Amalco must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such Dissenting Shareholder an amount considered by the board of directors of Amalco to be the fair value of the Osum Shares 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 Amalco is the applicant, or within 10 days after Amalco 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 Amalco for the purchase of such Dissenting Shareholder's Osum Shares at any time before the Court pronounces an order fixing the fair value of the Osum 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 Osum Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against Osum and in favour of each of those Dissenting Shareholders, and fixing the time within which Amalco 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 such Dissenting Shareholder ceases to have any rights as an Osum Shareholder until the date of payment.

Upon the Amalgamation becoming effective, or upon the making of an agreement between Amalco and the Dissenting Shareholder as to the payment to be made by Amalco to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as an Osum Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Osum Shares in the amount agreed to between Amalco 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 his or her dissent, or if the Amalgamation has not yet become effective Osum may rescind the Amalgamation Resolution, and, in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

Amalco shall not make a payment to a Dissenting Shareholder under Section 191 if there are reasonable grounds for believing that Amalco is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of Amalco would thereby be less than the aggregate of its liabilities. In such event, Amalco shall notify each Dissenting Shareholder within 10 days that it is lawfully unable to pay Dissenting Shareholders for their Osum Shares in which case the Dissenting Shareholder may, by written notice to Amalco within 30 days after receipt of such notice, withdraw such holder's written objection, in which case such Dissenting Shareholder shall be deemed to have participated in the Amalgamation as an Osum Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection such Dissenting Shareholder retains status as a claimant against Amalco to be paid as soon as Amalco is lawfully entitled to do so or, in a liquidation, to be ranked subordinate to creditors but prior to its shareholders.

All Osum Shares held by Osum Shareholders who exercise their Dissent Rights will, if such Dissenting Shareholders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to Osum on the Effective Date in exchange for the fair value as of the close of business on the last Business Day before the Amalgamation Resolution is approved by holders of Osum Shares. If such Dissenting Shareholders ultimately are not entitled to be paid the fair value for the Osum Shares, such Dissenting Shareholders will be deemed to have participated in the Amalgamation on the same basis as a non-dissenting holder of Osum Shares notwithstanding the provisions of Section 191 of the ABCA.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Osum Shares. Section 191 of the ABCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who is considering their Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix C, to this Circular and consult their own legal advisor. It is strongly encouraged that any Osum Shareholder wishing to exercise Dissent Rights seek independent legal advice, as the failure to strictly comply with the provisions of the ABCA, may prejudice such Osum Shareholders right to dissent.

### **Securities Law Matters**

Notwithstanding that the requirements pertaining to protection of minority security holders under MI 61-101 do not apply to the Amalgamation as the Corporation is not a "reporting issuer" under applicable securities Laws, the Corporation will be seeking "minority approval" (within the meaning of MI 61-101) of the Amalgamation.

MI 61-101 would provide that the votes attached to Osum Shares acquired under the Offer may be included as votes in favour of the Amalgamation in determining whether such minority approval has been obtained if, among other things: (i) the Amalgamation is completed no later than 120 days after the date of expiry of the Offer; (ii) the consideration per Osum Share paid under the Amalgamation is equal in value to and in the same form as the consideration paid under the Offer; (iii) certain disclosure was provided in the Offer

and Circular (which disclosure was included therein); and (iv) the Osum Shareholder who deposited such Osum Shares to the Offer was not (A) a "joint actor" (within the meaning of MI 61-101) with WOAC in respect of the Offer, (B) a direct or indirect party to any "connected transaction" (within the meaning of MI 61-101) to the Offer, or (C) entitled to receive, directly or indirectly, in connection with the Offer, a "collateral benefit" (within the meaning of MI 61-101) or consideration per Osum Share that was not identical in amount and form to the entitlement of the general body of holders in Canada of Osum Shares.

No votes attached to Osum Shares, other than the 60,035,152 Osum Shares collectively held by WEF, would be required to be excluded in determining whether minority approval of the Amalgamation has been obtained in accordance with MI 61-101.

## **RISK FACTORS**

Whether or not the Amalgamation is completed, Osum will continue to face many of the risk factors that it currently faces with respect to its business and affairs. Osum Shareholders should review and carefully consider all of the information disclosed in this Circular prior to voting their Osum Shares at the Meeting. The following are risks related specifically to the Amalgamation:

- the Amalgamation Agreement may be terminated in certain circumstances;
- if the Amalgamation is not completed, Osum's future businesses and operations could be harmed;
- the Amalgamation may not be completed due to the failure to satisfy any conditions set out in the Amalgamation Agreement, including certain conditions, which are not in the control of Osum or WOAC;
- dissent and appraisal rights may be exercised in respect of a substantial percentage of Osum Shares;
- Osum may not realize all of the anticipated benefits and synergies from the completion of the Amalgamation; and
- forward-looking information contained in this Circular may prove inaccurate.

## **INFORMATION CONCERNING OSUM**

### **Description of Securities**

Osum's authorized share capital consists of an unlimited number of common shares. As at the date hereof, there are 135,186,961 Osum Shares issued and outstanding.

Holders of common shares are entitled to: (a) receive notice of and to vote at every meeting of holders of common shares and shall have one vote thereat for each such common share so held, (b) receive any dividend declared on the common shares by Osum; and (c) receive the remaining property of Osum on dissolution, liquidation or winding up.

### **Management Contracts**

On March 2, 2021, Osum entered into a management services agreement (the "**Management Contract**") with Strathcona Resources Ltd. ("**Strathcona**"), an Alberta corporation with a head office and principal place of business located at Suite 1900, 421 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 4K9. Pursuant to the Management Contract, Strathcona agreed to provide management and administrative services to Osum, including with respect to Osum's assets, operations, business and administrative affairs, as required from time to time.

## **Auditors**

The auditors of Osum are PricewaterhouseCoopers LLP, Chartered Professional Accountants. PricewaterhouseCoopers LLP was originally appointed auditor of Osum in 2006.

## **INFORMATION CONCERNING WOAC AND WEF**

WOAC is a corporation incorporated under the ABCA on October 28, 2020 for the purposes of completing the Offer. WOAC's common shares are 100% owned collectively by WEF. WOAC has not carried on any business prior to the date hereof, other than in respect of the Offer. WOAC's head office and principal place of business is located at Suite 600, 301 – 8th Avenue S.W., Calgary, Alberta, T2P 1C5.

Each of Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP, is a limited partnership formed under the Laws of Alberta and managed by WEF Management Corp.

WEF engages in oil and gas exploration and production within Canada through investee companies and partnerships. WEF is a leading energy-focused private equity firm headquartered in Canada, with offices in Calgary, Houston and New York. The head office of WEF is located at Suite 600, 301 – 8th Avenue S.W., Calgary, Alberta, T2P 1C5.

## **INFORMATION CONCERNING AMALCO**

Amalco is the company that will be formed upon the completion of the Amalgamation on the Effective Date. All of the issued and outstanding securities of Amalco will be held by WEF immediately after the Effective Time. Osum and WOAC have agreed to combine their respective businesses, assets and operations through the implementation of the Amalgamation.

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

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations generally applicable to a Beneficial Shareholder who disposes of its Osum Shares pursuant to the Amalgamation and who, for the purposes of the Tax Act, and at all relevant times, holds its Osum Shares and Amalco Redeemable Preferred Shares acquired pursuant to the Amalgamation as capital property, deals at arm's length with, and is not affiliated with, Osum, WOAC, WEF, Amalco or any of their respective affiliates (a "**Shareholder**"). Generally, Osum Shares and Amalco Redeemable Preferred Shares will be considered to be capital property to a Shareholder provided the Shareholder does not acquire or hold its Osum Shares or Amalco Redeemable Preferred Shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is not applicable to a Shareholder (i) that is a "specified financial institution", (ii) an interest in which is a "tax shelter investment", (iii) that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution", (iv) that reports its "Canadian tax results" in a currency other than Canadian currency, (v) that is exempt from tax under Part I of the Tax Act, or (vi) that has entered into, with respect to its Osum Shares, or will enter in respect of its Amalco Redeemable Preferred Shares, a "derivative forward agreement" or a "synthetic disposition arrangement", each as defined in the Tax Act. Such Shareholders should consult their own tax advisors in this regard. In addition, this summary does not address all of the tax considerations applicable to a Shareholder in respect of Osum Shares acquired upon the exercise of options, including the Osum Options, or pursuant to other employee compensation plans. Any Shareholder to whom this paragraph applies should consult its own tax advisor with respect to the Amalgamation.

This summary is based on the facts set out in this Circular, the assumptions set out herein, the current provisions of the Tax Act in force as of the date hereof and our understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing prior to the date hereof and made publicly available. This summary takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. No assurance can be given that the Proposed Amendments will be

enacted in the form proposed, or at all. This summary does not otherwise take into account or anticipate any other changes in Laws or administrative policy or assessing practices whether by legislative, regulatory, administrative or judicial action, nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ materially from those discussed herein.

This summary assumes that the paid-up capital (for purposes of the Tax Act) of the Osum Shares is equal to or greater than the fair value in accordance with the ABCA, and the paid-up capital (for purposes of the Tax Act) of the Amalco Redeemable Preferred Shares is equal to or greater than the Redemption Consideration.

**This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal, tax or business advice or representations to any particular Shareholder. This summary is not exhaustive of all Canadian federal income or other tax considerations. Accordingly, Shareholders are urged to consult their own legal and tax advisors with respect to the income and other tax consequences to them having regard to their particular circumstances, including the application and effect of the income and other tax Laws relating to taxation of any country, province or other jurisdiction that may be applicable to the Shareholder.**

### **Shareholders Resident in Canada**

This part of the summary is applicable to a Shareholder who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a "Resident Shareholder"). Based on the assets of Osum and Amalco, the election under subsection 39(4) of the Tax Act (the effect of which may be to deem to be capital property all "Canadian securities", as defined in the Tax Act owned by such Resident Shareholder in the taxation year in which the election is made and in all subsequent taxation years) should not be available with respect to any Osum Shares or Amalco Redeemable Preferred Shares.

#### Exchange of Osum Shares for Amalco Redeemable Preferred Shares

As a result of the Amalgamation, a Resident Shareholder (other than a Resident Shareholder that is a Dissenting Shareholder) will realize no capital gain (or loss) on the disposition of Osum Shares for Amalco Redeemable Preferred Shares. Such Resident Shareholder will be deemed to have disposed of its Osum Shares for proceeds of disposition equal to the aggregate adjusted cost base of such Osum Shares to such Resident Shareholder immediately before the disposition. Such Resident Shareholder will be deemed to have acquired the Amalco Redeemable Preferred Shares at an aggregate cost equal to such proceeds of disposition.

#### Redemption of Amalco Redeemable Preferred Shares

A Resident Shareholder whose Amalco Redeemable Preferred Shares are redeemed will be considered to have disposed of each such share for proceeds of disposition equal to the Redemption Consideration and will realize a capital gain (or capital loss) to the extent that the aggregate proceeds of disposition exceed (or are less than) the aggregate of the Resident Shareholder's adjusted cost base of all Amalco Redeemable Preferred Shares, and any reasonable costs of disposition. The income tax treatment of such capital gain or capital loss is discussed below under the heading "Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Taxation of Capital Gains and Losses".

#### Dissenting Resident Shareholders

Under the current administrative practice of the CRA, a Resident Shareholder that is a Dissenting Shareholder and who receives a payment from Amalco should be considered to have disposed of the Osum Shares for proceeds of disposition equal to the amount paid to such Dissenting Shareholder less any interest awarded by the Court, if applicable. A Resident Shareholder may realize a capital gain (or sustain a capital loss) to the extent that such proceeds, net of any reasonable costs of disposition, exceed (or are less than) the total of the adjusted cost base of the Osum Shares to the Resident Shareholder. The taxation of capital gains and losses is discussed under the heading "Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Taxation of Capital Gains and Losses".

Any interest awarded by the Court to a Resident Shareholder that is a Dissenting Shareholder will be included in such Resident Shareholder's income in accordance with the Tax Act.



A Resident Shareholder that is, throughout its taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of taxable capital gains and interest.

Resident Shareholders should consult their own tax advisors with respect to the tax implications to them of the exercise of their Dissent Rights.

#### Taxation of Capital Gains and Losses

A Resident Shareholder who, as described above, realizes a capital gain or a capital loss on the redemption of the Amalco Redeemable Preferred Shares or, in the case of a Resident Shareholder that is a Dissenting Shareholder, on the disposition of Osum Shares, will generally be required to include in such person's income one-half of any such capital gain ("**taxable capital gain**"). Subject to and in accordance with the provisions of the Tax Act, a Resident Shareholder is 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 such shareholder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

The amount of any capital loss realized by a Resident Shareholder that is a corporation on the disposition of any Osum Share or the redemption of any Amalco Redeemable Preferred Shares may be reduced by the amount of certain dividends which have been received or are deemed to have been received on the share to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where the Osum Share or Amalco Redeemable Preferred Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such holders should consult their tax advisors for specific information regarding the application of these provisions.

If the Resident Shareholder is a "Canadian-controlled private corporation" (as defined in the Tax Act), the Resident Shareholder may also be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include an amount in respect of taxable capital gains. Capital gains realized by an individual (other than certain trusts) may be subject to alternative minimum tax under the Tax Act. Such holders should consult their tax advisors for specific information regarding the application of these provisions.

#### **Shareholders Not Resident in Canada**

The following section of the summary is applicable to a Shareholder who, for the purposes of the Tax Act and any applicable income tax convention and at all relevant times, (i) is not, and is not deemed to be, a resident of Canada, (ii) does not, and is not deemed to, use or hold its Osum Shares or Amalco Redeemable Preferred Shares in, or in the course of, carrying on a business in Canada, and (iii) is not an insurer who carries on an insurance business or is deemed to carry on an insurance business in Canada and elsewhere (in this section, a "**Non-Resident Shareholder**"). Non-Resident Shareholders should consult their own tax advisors for advice with respect to the Canadian and foreign tax consequences of the Amalgamation.

#### Exchange of Osum Shares for Amalco Redeemable Preferred Shares

The tax treatment to a Non-Resident Shareholder (other than a Non-Resident Shareholder that is a Dissenting Shareholder) generally will be the same as described above under the heading "Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Exchange of Osum Shares for Amalco Redeemable Preferred Shares".

#### Redemption of Amalco Redeemable Preferred Shares

The tax treatment to a Non-Resident Shareholder (other than a Non-Resident Shareholder that is a Dissenting Shareholder) generally will be the same as described above under the heading "Certain Canadian Federal Income Tax Considerations – Shareholders Resident in Canada – Redemption of Amalco Redeemable Preferred Shares".

The income tax treatment of any capital gain or capital loss is discussed below under the heading "Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada – Taxation of Capital Gains and Losses".

Non-Resident Shareholders should consult their tax advisors for advice with respect to the tax consequences of the redemption of the Amalco Redeemable Preferred Shares.

#### Dissenting Non-Resident Shareholders

A Non-Resident Shareholder who dissents in respect of the Amalgamation will be entitled to receive a payment from Amalco equal to the fair value of such Non-Resident Shareholder's Osum Shares and will be considered to have disposed of the Osum Shares for proceeds of disposition equal to the amount received by such Non-Resident Shareholder less any interest awarded by the Court, if applicable. The income tax treatment of capital gains and capital losses is discussed below under the heading, "Certain Canadian Federal Income Tax Considerations – Shareholders Not Resident in Canada – Taxation of Capital Gains and Losses".

Any interest paid to a Non-Resident Shareholder that is a Dissenting Shareholder will not be subject to Canadian withholding tax.

Non-Resident Shareholders should consult their own tax advisors with respect to the tax implications to them of the exercise of their Dissent Rights.

#### Taxation of Capital Gains and Losses

The Osum Shares and Amalco Redeemable Preferred Shares are "taxable Canadian property" within the meaning of the Tax Act and Non-Resident Shareholder will be subject to tax under the Tax Act on any capital gain realized on the redemption of the Amalco Redeemable Preferred Shares for any Non-Resident Shareholder that participates in the Amalgamation or on the cancellation of the Osum Shares for any Non-Resident Shareholder that is a Dissenting Shareholder, unless the Non-Resident Shareholder is entitled to an exemption under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Shareholder is resident. A Non-Resident Shareholder must include a taxable capital gain realized in the year on the disposition of taxable Canadian property (other than treaty-protected property within the meaning of the Tax Act) in computing its income under the Tax Act. Subject to and in accordance with the provisions of the Tax Act, a Non-Resident Shareholder is required to deduct an allowable capital loss realized in the taxation year from dispositions of taxable Canadian property (other than treaty-protected property) realized by the Non-Resident Shareholder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized on the disposition of taxable Canadian property (other than treaty-protected property) in such years.

A Non-Resident Shareholder that participates in the Amalgamation and receives Amalco Redeemable Preferred Shares or that is a Dissenting Shareholder will be required to provide notice to the CRA and apply for a certificate of compliance pursuant to section 116 of the Tax Act in respect of the redemption of its Amalco Redeemable Preferred Shares or the cancellation Osum Shares, as applicable. Such notice and application may be submitted to the CRA before the Effective Date, but in any event must be submitted to the CRA no later than 10 days after the Effective Date, otherwise the Non-Resident Shareholder could be subject to penalties under the Tax Act.

Amalco or the Depository, as applicable, will withhold 25% of the consideration otherwise payable to the Non-Resident Shareholder on the redemption of the Amalco Redeemable Preferred Shares or the exercise of Dissent Rights, as applicable, and such consideration will be held in escrow pending the issuance of a certificate of compliance by the CRA within the time limits established under the Tax Act. The Depository may remit such withheld amount (or a portion thereof) to the CRA as tax on behalf of the Non-Resident Shareholder, in accordance with section 116 of the Tax Act and as provided for in the terms of the Amalgamation Agreement.

**NON-RESIDENT SHAREHOLDERS WILL BE SUBJECT TO REPORTING AND WITHHOLDING OBLIGATIONS UNDER SECTION 116 OF THE TAX ACT. NON-RESIDENT SHAREHOLDERS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS FOR ADVICE HAVING REGARD TO THEIR PARTICULAR CIRCUMSTANCES AND ANY CANADIAN TAX REPORTING REQUIREMENTS.**

## OTHER TAX CONSIDERATIONS

**This Circular does not address any tax considerations of the Amalgamation other than the federal Canadian income tax considerations applicable to Osum Shareholders. Osum Shareholders who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the relevant tax implications of the Amalgamation, including any associated filing requirements, in such jurisdictions. All Osum Shareholders should also consult their own tax advisors regarding relevant provincial, territorial or foreign tax considerations of the Amalgamation.**

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the directors and officers of Osum, no "informed person" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of Osum, or any associate or affiliate of an "informed person", has had any material interest, direct or indirect, in any transaction of Osum since January 1, 2020 or in any proposed transaction that has materially affected or would materially affect Osum or its subsidiaries.

## INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Each of Adam Waterous and Andrew Kim, who are members of the Osum Board, also serve as directors or executive officers of WOAC and Adam Waterous serves as a director, and in certain cases also as an executive officer, of WEF. As at April 6, 2021, WOAC and WEF hold approximately 87% of the total Osum Shares outstanding. Jen Russel-Houston, an executive officer of Osum, also holds 48,898 Osum Shares as at the date hereof.

The Transfer Agent acts as the registrar and transfer agent for the Osum Shares, and the Depositary acts as the depositary in connection with the Amalgamation, and each receives fees for their respective services in such capacities and are also reimbursed for all expenses properly incurred by them.

Except as publicly disclosed by Osum, Osum is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of Osum's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

## APPENDIX A

### AMALGAMATION RESOLUTION

**BE IT RESOLVED**, as a special resolution that:

1. The amalgamation (the "**Amalgamation**") of Osum Oil Sands Corp. ("**Osum**") and WEF Osum Acquisition Corp. ("**WOAC**"), substantially upon the terms and conditions set forth in the form of amalgamation agreement (the "**Amalgamation Agreement**") dated April 6, 2021 between Osum and WOAC attached as Appendix B to the management proxy circular of Osum dated April 6, 2021, is hereby authorized and approved.
2. The Amalgamation Agreement, as it may be amended in accordance with its terms, is hereby confirmed, approved and ratified.
3. Notwithstanding that this resolution has been duly passed by the shareholders of Osum, the board of directors may amend the Amalgamation Agreement or decide not to proceed with the Amalgamation or revoke this resolution at any time prior to the issuance of the certificate giving effect to the Amalgamation without further approval of the shareholders of Osum.
4. Any one officer or director of Osum is hereby authorized and directed for and on behalf of Osum to execute and deliver articles of amalgamation to the Registrar under the *Business Corporations Act* (Alberta) and to execute and deliver for and in the name of and on behalf of Osum, whether under corporate seal or otherwise, all such other certificates, instruments, agreements, documents and notices, and to take all such further actions that such person may determine to be necessary or appropriate to carry out the purposes and intent of the foregoing resolutions, such determination to be conclusively evidenced by the execution and delivery of such certificate, instrument, agreement, document or notice and taking of such action.

**APPENDIX B**  
**AMALGAMATION AGREEMENT**

## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** is made this 6th day of April, 2021.

**BETWEEN:**

**WEF OSUM ACQUISITION CORP.**, a corporation existing under the laws of the Province of Alberta,

("WOAC")

- and -

**OSUM OIL SANDS CORP.**, a corporation existing under the laws of the Province of Alberta,

("Osum")

(together, the "**Parties**", and each of them, a "**Party**")

**RECITALS:**

- A. WOAC and Osum have agreed to amalgamate pursuant to the ABCA (as defined below) and upon the terms and conditions set forth herein and continue as one corporation.
- B. WOAC is a corporation wholly-owned by Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP (collectively, "**WEF**").
- C. WOAC was incorporated for the sole purpose of making the Offer (as defined below).
- D. The authorized share capital of WOAC consists of an unlimited number of Common Shares, of which 60,035,151.99 WOAC Shares are issued and outstanding as of the date hereof and are held by WEF.
- E. The authorized share capital of Osum consists of an unlimited number of common shares, of which 135,186,961 Osum Shares are issued and outstanding as of the date hereof.
- F. As of the date hereof, WOAC owns 56,999,475 Osum Shares, representing approximately 42.2% of the issued and outstanding Osum Shares, and WEF owns 60,035,152 Osum Shares, representing approximately 44.4% of the issued and outstanding Osum Shares.
- G. As set forth in the offer to purchase and take-over bid circular of WOAC dated November 4, 2020, as amended by a notice of variation and change dated February 18, 2021 and a notice of extension dated March 2, 2021 (the "**Offer and Circular**"), pursuant to which WOAC offered to purchase up to 57,000,000 Osum Shares at a price of \$3.00 per share (the "**Offer**"), WOAC and WEF stated that they intended to acquire the remainder of the Osum Shares not acquired under the Offer pursuant to a Subsequent Acquisition Transaction (as defined in the Offer and Circular) that may consist of, among other transactions, an amalgamation involving WOAC and Osum for consideration per Osum Share equal in amount to, and in the same form as, the consideration paid by WOAC under the Offer (being \$3.00 in cash per Osum Share).
- H. WOAC and Osum have each made disclosure to the other of their respective assets and liabilities.

- I. Each of Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP and WEF Osum Co-Invest III LP have approved the Amalgamation (as defined below) on the terms and conditions set forth herein.

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

## 1. Definitions

In this Agreement, the following terms shall have the following respective meanings:

"**ABCA**" means the *Business Corporations Act*, RSA 2000, c B-9, as amended, including the regulations promulgated thereunder;

"**Agreement**" means this Amalgamation Agreement, including all Schedules, as may be supplemented, modified or amended in accordance with the terms herein, and references to "Article" or "Section" mean the specified Article or Section of this Agreement;

"**Amalco**" means the corporation continuing as a result of the Amalgamation;

"**Amalco Common Shares**" means the Common Shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in Schedule "A";

"**Amalco Redeemable Preferred Shares**" means the Series A Preferred Shares in the capital of Amalco having the rights, privileges, restrictions and conditions set forth in Schedule "A";

"**Amalgamating Corporations**" means WOAC and Osum;

"**Amalgamation**" means the amalgamation of the Amalgamating Corporations under Section 181 of the ABCA, as contemplated in this Agreement;

"**Amalgamation Resolution**" means the special resolution to approve the Amalgamation and to confirm, ratify and approve this Agreement to be presented to the Osum Shareholders for approval at the Meeting, substantially in the form attached as Appendix A to the Circular;

"**ARC**" means an advance ruling certificate issued by the Commissioner pursuant to Section 102 of the Competition Act;

"**Articles of Amalgamation**" means the articles of amalgamation in respect of the Amalgamation, substantially in the form set out in Schedule "B", required under Section 185(1) of the ABCA to be filed with the Registrar to give effect to the Amalgamation;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar pursuant to Section 185(4) of the ABCA giving effect to the Amalgamation;

"**Circular**" means the notice of special meeting and management proxy circular of Osum dated April 6, 2021 in respect of the Meeting;

"**Commissioner**" means the Commissioner of Competition;

"**Competition Act**" means the *Competition Act* (Canada);

**"Competition Act Clearance"** means, with respect to the Amalgamation, either: (a) the Commissioner has issued an ARC, which ARC shall not have been rescinded or amended; or (b) (i) any applicable waiting period, including any extension of a waiting period, under Section 123 of the Competition Act shall have expired or been terminated, or the requirement to submit a notification shall have been waived under paragraph 113(c) of the Competition Act, and (ii) unless waived by the Amalgamating Corporations, the Amalgamating Corporations shall have received a No-Action Letter without any condition or on conditions that are acceptable to the Amalgamating Corporations, in their reasonable judgment, which No-Action Letter shall not have been rescinded or amended;

**"Date of Redemption"** means the Effective Date;

**"Depository"** means Kingsdale Partners LP, operating as Kingsdale Advisors;

**"Dissenting Shareholder"** means a registered Osum Shareholder who, in connection with the Amalgamation Resolution, has validly exercised the right to dissent pursuant to Section 191 of the ABCA in strict compliance with the provisions thereof and who has not withdrawn the notice of the exercise of such right as provided in Section 191 of the ABCA, and in respect of which Osum has not rescinded the resolution to approve and adopt this Agreement and the Amalgamation;

**"Effective Date"** means the date shown on the Certificate of Amalgamation;

**"Effective Time"** means the time on the Effective Date at which the Amalgamation becomes effective;

**"fair value"**, where used in relation to a Osum Share held by a Dissenting Shareholder, means fair value as determined by the Court (as defined in the ABCA) under Section 191 of the ABCA or as agreed between Osum (or its successor) and the Dissenting Shareholder;

**"Letter of Transmittal"** has the meaning ascribed to it in the Circular;

**"Meeting"** means the special meeting (and any adjournments or postponements thereof) of Osum Shareholders to be held on April 30, 2021 to consider the Amalgamation Resolution;

**"No-Action Letter"** means a letter from the Commissioner advising the parties in writing that he does not, at that time, intend to challenge the transaction by making an application to the Competition Tribunal under Section 92 of the Competition Act;

**"Osum"** has the meaning ascribed to it in the Preamble;

**"Osum Shareholder"** means a holder of Osum Shares;

**"Osum Shares"** means the issued and outstanding common shares in the capital of Osum;

**"Parties"** and **"Party"** have the respective meanings ascribed to them in the Preamble;

**"Person"** includes an individual, a corporation, a partnership, a trust, a fund and an association, a syndication, organization or other organized group of persons, whether incorporated or not, and an individual or other person in that person's capacity as trustee, executor, administrator or personal or other legal representative;

**"Redemption Consideration"** means the consideration payable upon the immediate redemption of the Amalco Redeemable Preferred Shares, being \$3.00 per Amalco Redeemable Preferred Share in cash;

**"Registrar"** means the Registrar appointed under the ABCA;

**"Tax Act"** means the *Income Tax Act*, RSC 1985, c 1, (5<sup>th</sup> Suppl), as amended;



"WEF" has the meaning ascribed to it in the Preamble;

"WOAC" has the meaning ascribed to it in the Preamble; and

"WOAC Share" means a Common Share in the capital of WOAC.

Words and phrases used but not defined in this Agreement and defined in the ABCA shall have the same meaning in this Agreement as in the ABCA unless the context or subject matter otherwise requires.

## 2. Agreement to Amalgamate

The Amalgamating Corporations hereby agree to amalgamate and to continue as one corporation under the provisions of the ABCA as of the Effective Date, on the terms and conditions set out in this Agreement.

## 3. Name

The name of Amalco shall be Osum Oil Sands Corp.

## 4. Registered Office

The registered office of Amalco shall be located in the City of Calgary in the Province of Alberta at Suite 3500, 855 - 2 Street S.W., Calgary, Alberta T2P 4J8, until changed by the directors of Amalco in accordance with the ABCA.

## 5. Authorized Capital

The authorized share capital of Amalco shall consist of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which the first series shall be an unlimited number of Amalco Redeemable Preferred Shares. The rights, restrictions and conditions attached to these shares shall be as set out in the attached Schedule "A" hereto.

## 6. No Restrictions on Business

There shall be no restrictions on the business that Amalco may carry on or on the powers that Amalco may exercise.

## 7. Board of Directors

The board of directors of Amalco shall consist of a minimum of one (1) and a maximum of ten (10) directors. The first directors of Amalco shall be:

<u>Name</u>	<u>Address</u>	<u>Canadian Resident</u>
Adam Waterous	301 8 Avenue SW, Suite 600, Calgary, Alberta T2P 1C5	Yes
Michael Buckingham	1111 Bagby Street, Suite 2340, Houston, Texas 77002	No
Andrew Kim	301 8 Avenue SW, Suite 600, Calgary, Alberta T2P 1C5	Yes
Robert Morgan	421 7 Avenue SW, Suite 1900, Calgary, Alberta T2P 4K9	Yes

Such directors shall hold office until the next annual meeting of shareholders of Amalco or until their successors are elected or appointed.

## **8. By-laws**

The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws as set out in the attached Schedule "C". This by-law shall come into effect upon the Amalgamation.

## **9. Amalgamation**

On the Effective Date:

- (a) each issued and outstanding Osum Share (other than those held by WOAC, WEF and any Dissenting Shareholders) shall be converted into one Amalco Redeemable Preferred Share (each of which will be redeemed for \$3.00 in cash immediately following the issuance of the Amalco Redeemable Preferred Shares at the Effective Time);
- (b) each issued and outstanding Osum Share held by WOAC shall be cancelled;
- (c) each issued and outstanding Osum Share held by WEF shall be converted into 0.999999 Amalco Common Share;
- (d) each issued and outstanding Common Share of WOAC shall be converted into 0.000001 Amalco Common Share; and
- (e) each issued and outstanding Osum Share held by each Dissenting Shareholder shall be cancelled and each Dissenting Shareholder shall become entitled to be paid by Amalco the fair value of such Osum Shares in accordance with the ABCA.

## **10. Stated Capital Accounts**

Subject to reduction to effect payments made to Dissenting Shareholders, the aggregate stated capital in respect of all the shares of Amalco shall be the aggregate of the "paid-up capital" (as defined in the Tax Act) in respect of all of the shares of the Amalgamating Corporations, less the paid-up capital in respect of the Osum Shares held by WOAC cancelled on the Amalgamation, and such aggregate stated capital shall be allocated to the stated capital account for the Amalco Redeemable Preferred Shares and the stated capital account for the Amalco Common Shares as follows:

- (a) for the Amalco Redeemable Preferred Shares, an amount equal to the number of Amalco Redeemable Preferred Shares issued on the Amalgamation multiplied by \$3.00; and
- (b) for the Amalco Common Shares, the balance of such aggregate stated capital.

The amount of stated capital attributable to the Amalco Common Shares shall be adjusted to reflect payments that may be made to Dissenting Shareholders.

## **11. Share Certificates**

- (a) On the Effective Date, the name of each registered Osum Shareholder shall be removed from the securities registers of Osum and replaced accordingly, and share certificates evidencing Osum Shares shall cease to represent any claim upon or interest in Osum other than the right of the Osum Shareholder to receive that which is provided for in Sections 9 and 14.

- (b) Upon the presentation and surrender for cancellation by each registered Osum Shareholder (other than WOAC, WEF and any Dissenting Shareholders) to the Depository of the certificate(s) which immediately prior to the Effective Time represented such Osum Shareholder's Osum Shares, together with a properly completed Letter of Transmittal and such other additional documents as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor the applicable number of Amalco Redeemable Preferred Shares to which such Osum Shareholder is entitled in accordance with the terms of this Agreement, and the certificate representing the Osum Shares so surrendered shall forthwith be cancelled. In connection with such delivery and surrender, Osum Shareholders must follow the procedures described in the Circular and in the Letter of Transmittal.
- (c) No share certificates representing Amalco Redeemable Preferred Shares shall be issued to Shareholders upon completion of the Amalgamation. Certificates representing Osum Shares shall be deemed to represent Amalco Redeemable Preferred Shares received on Amalgamation.
- (d) Amalco shall cause the Depository, as soon as practicable following the later of the Effective Date and the date of deposit with the Depository of the documentation as provided in Section 11(e) below, to deliver the Redemption Consideration to be issued to the former holders of Osum Shares and the Amalco Common Shares to WOAC and WEF in accordance with the provisions hereof (net of any amounts required to be withheld pursuant to Section 16 or 18, as applicable).
- (e) If any Osum Shareholder fails for any reason to deliver to the Depository for cancellation the certificates formerly representing Osum Shares (or an affidavit of loss and bond or other indemnity pursuant to Section 15), together with such other documents or instruments required for such holder to receive the applicable consideration for the Osum Shares on or before the third anniversary of the Effective Date, such holder shall be deemed to have donated and forfeited to Amalco on such third anniversary any consideration (together with any dividends and distributions with respect thereto, but net of amounts required to be withheld pursuant to Section 16 or 18, as applicable) held by the Depository for such holder.

## **12. Effect of Amalgamation**

On the Effective Date:

- (a) the amalgamation of the Amalgamating Corporations and their continuance as one corporation shall become effective;
- (b) the property of each Amalgamating Corporation continues to be the property of Amalco;
- (c) Amalco continues to be liable for the obligations of each Amalgamating Corporation;
- (d) an existing cause of action, claim or liability to prosecution is unaffected;
- (e) a civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against Amalco;
- (f) a conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Amalco; and

- (g) the Articles of Amalgamation are deemed to be the articles of incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the certificate of incorporation of Amalco.

### **13. General Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated hereby, including the Amalgamation, are subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived by the mutual consent of the Parties without prejudice to their right to rely on the other conditions:

- (a) this Agreement and the transactions contemplated hereby, including the Amalgamation, shall have been approved by the shareholders of each of the Amalgamating Corporations in accordance with the provisions of the ABCA and any other applicable regulatory requirements;
- (b) all consents, orders, approvals and authorizations, including the Competition Act Clearance and any other governmental or regulatory approvals, orders, rulings and exemptions, required or necessary for the consummation of the transactions contemplated hereby, including the Amalgamation, shall have been obtained on terms and conditions satisfactory to each of the Amalgamating Corporations, acting reasonably;
- (c) there shall not be in force any order or decree which would restrain or enjoin the consummation of the transactions contemplated by this Agreement, including the Amalgamation; and
- (d) each of the Amalgamating Corporations shall be satisfied that there are reasonable grounds for believing that at the Effective Time and after payment of the consideration pursuant to the Amalgamation:
  - (i) Amalco will be able to pay its liabilities as they become due;
  - (ii) the realizable value of Amalco's assets will not be less than the aggregate of its liabilities; and
  - (iii) no creditor will be prejudiced by the Amalgamation.

### **14. Dissenting Shareholders**

Osum Shares that are held by a Dissenting Shareholder shall not be converted into Amalco Redeemable Preferred Shares, and on the Effective Date, a Dissenting Shareholder shall, subject to the ABCA and provided that the Amalgamation is approved and effected in accordance with the ABCA, cease to have any rights as an Osum Shareholder other than the right to be paid the fair value of the Osum Shares by Amalco as determined in accordance with the ABCA. However, in the event that an Osum Shareholder fails to perfect or effectively withdraws that Osum Shareholder's claim under Section 191 of the ABCA or forfeits that Osum Shareholders' right to make a claim under Section 191 of the ABCA or that Osum Shareholder's rights as a shareholder are otherwise reinstated, each Osum Share held by that Osum Shareholder shall thereupon be deemed to have been converted as of the Effective Date into one Amalco Redeemable Preferred Share and redeemed on the Date of Redemption.

### **15. Lost Share Certificates**

In the event any certificate which immediately prior to the Effective Date represented Osum Shares shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depository will deliver in exchange for such lost, stolen or

destroyed certificate, the consideration to be issued to such Person in accordance with such Osum Shareholder's Letter of Transmittal. When authorizing such consideration, the Person to whom such consideration is to be issued shall as a condition precedent to the issuance of such consideration, give a bond satisfactory to Amalco and the Depositary (acting reasonably) in such sum as Amalco may direct, or otherwise indemnify Amalco in a manner satisfactory to Amalco, acting reasonably, against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed.

## 16. Withholding Rights

Amalco (or any successor of Amalco) and/or the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any Osum Shareholder pursuant to the Amalgamation or in connection with any related transaction, such amounts as Amalco or the Depositary is required or entitled to deduct and withhold with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case, as amended or succeeded and subject to the provisions of any applicable income tax treaty between Canada and the country where the holder is resident. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the Osum Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

## 17. Section 116 Clearance Certificates

- (a) Each former Osum Shareholder that is a Dissenting Shareholder or is entitled to receive the Redemption Consideration and who, for purposes of the Tax Act, is not resident or deemed to be resident in Canada or is a partnership that is not a "Canadian partnership" within the meaning of the Tax Act (a "**Non-Resident Holder**") may deliver or cause to be delivered to Osum, Amalco and the Depositary on or before the date of the Amalgamation, a certificate issued by the Minister of National Revenue under Section 116 of the Tax Act (a "**116 Certificate**") in respect of the disposition of its Osum Shares on the exercise of its dissent rights or the disposition of the Amalco Redeemable Preferred Shares received on the Amalgamation (the "**116 Shares**").
- (b) Osum or Amalco, as the case may be (for the purposes of this Section 17, the "**Purchaser**") shall be entitled to withhold, twenty-five percent (25%) of the aggregate Redemption Consideration payable to that Non-Resident Holder, or in the case of a Non-Resident Holder that is a Dissenting Shareholder, twenty-five percent (25%) of the fair value, for the 116 Shares (the "**116 Consideration**") from the amount payable to that Non-Resident Holder, such withheld cash amount to be held and remitted in accordance with the terms of this Section 17. Any amount withheld by the Purchaser from the 116 Consideration shall be paid or delivered by the Purchaser to the Depositary, on the condition that such cash amounts shall be held by the Depositary in trust for the benefit of the Non-Resident Holder in respect of which such amounts are withheld by the Purchaser for payment to such Non-Resident Holder or the Receiver General for Canada, as described in this Section 17.
- (c) Where the Purchaser has withheld any amount under this Section 17 and the Non-Resident Holder in respect of which such amounts were withheld and deposited, delivers to the Purchaser, a 116 Certificate, subject to this Section 17, the Depositary shall pay forthwith to the Receiver General for Canada, for the account of the Non-Resident Holder in accordance with Section 116 of the Tax Act, twenty-five percent (25%) of the amount, if any, by which the 116 Consideration exceeds the certificate limit fixed by the Minister of National Revenue in such certificate and pay or deliver forthwith to the Non-Resident Holder any remaining amount that the Purchaser has withheld and paid to the Depositary in respect of such 116 Shares.
- (d) Where the Purchaser has withheld any amount under this Section 17 and the Non-Resident Holder in respect of which such amounts were withheld does not deliver to the Purchaser, on or prior to the day that is 28 days after the end of the month which included the Effective

Date, a 116 Certificate, subject to this Section 17, the Depositary shall pay forthwith to the Receiver General for Canada, for the account of the Non-Resident Holder in accordance with Section 116 of the Tax Act, the amount the Purchaser has withheld and paid to the Depositary in respect of such 116 Shares.

- (e) Notwithstanding this Section 17, where the Purchaser has withheld any amount under this Section 17 and either a 116 Certificate with a certificate limit equal to or below the 116 Consideration is delivered to the Purchaser or no 116 Certificate has been delivered to the Purchaser, no amount shall be paid by the Purchaser to the Receiver General for Canada if the Non-Resident Holder delivers to the Purchaser, on or prior to the day that is 28 days after the end of the which included the Effective Date, a comfort letter or other evidence satisfactory to the Purchaser (acting reasonably) issued by the Canada Revenue Agency extending the time period under which the Purchaser shall remit an amount in respect of the 116 Consideration for the 116 Shares for the account of a Non-Resident Holder or providing that no such amounts need to be remitted until advised by the Canada Revenue Agency, in which case the funds held by the Depositary shall continue to be held in trust and the provisions of this Section 17 shall continue to apply as if the reference to the 28<sup>th</sup> day after the end of the month which included the Effective Date was instead a reference to the new date set or to be set by the Canada Revenue Agency as the date for the remittance of the withheld amounts.
- (f) In any event, the Depositary shall pay all or any portion of the amounts that it holds in trust for a Non-Resident Holder to the Receiver General for Canada if it has not received a 116 Certificate on or before the date that is one year after the Effective Date.
- (g) If requested by a Non-Resident Holder on account of which amounts are withheld or deposited under this Section 17, the Depositary shall pay all or any portion of the amounts that it holds in trust for such Non-Resident Holder to the Receiver General for Canada in lieu of the delivery of a 116 Certificate.

## **18. Representations and Warranties of WOAC**

WOAC represents and warrants to Osum that:

- (a) WOAC is a corporation validly existing under the laws of the Province of Alberta and has all necessary corporate or legal power, authority and capacity to own, lease or operate its property and assets and to carry on its business as it is currently owned and conducted;
- (b) WOAC has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by WOAC has been duly authorized by the board of directors of WOAC and the shareholders of WOAC have approved the adoption of this Agreement and the Amalgamation. This Agreement has been duly executed and delivered by WOAC and constitutes a legal, valid and binding obligation of WOAC, enforceable against WOAC in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;
- (c) the execution of this Agreement does not, and the Amalgamation will not, result in a breach of or violate any term or provision of the articles or the by-laws of WOAC or of any agreement to which WOAC is a party and by which it is bound;
- (d) WOAC is authorized to issue an unlimited number of WOAC Shares, of which 60,035,151.99 WOAC Shares are issued and outstanding as of the date hereof, which are owned by WEF; and

- (e) WOAC, as the legal and beneficial owner of approximately 42.2% of the Osum Shares as of the date hereof, will take all steps necessary to cause such Osum Shares to be voted at the Meeting in favour of the Amalgamation Resolution;
- (f) as of the date hereof, there are reasonable grounds for believing that (i) Amalco will be able to pay its liabilities as they become due, (ii) the realizable value of Amalco's assets will not be, less than the aggregate of its liabilities and stated capital of all classes, and (iii) no creditor of WOAC will be prejudiced by the Amalgamation.

## **19. Representations and Warranties of Osum**

Osum represents and warrants to WOAC that:

- (a) Osum is a corporation validly existing under the laws of the Province of Alberta and has all necessary corporate or legal power, authority and capacity to own, lease or operate its property and assets and to carry on its business as it is currently owned and conducted;
- (b) Osum has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Osum has been duly authorized by the board of directors of Osum and no other corporate proceedings on the part of Osum are necessary to authorize this Agreement or the Amalgamation other than in connection with the approval of the Amalgamation Resolution by the Osum Shareholders at the Meeting. This Agreement has been duly executed and delivered by Osum and constitutes a legal, valid and binding obligation of Osum, enforceable against Osum in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles;
- (c) the execution of this Agreement does not, and the Amalgamation will not, result in a breach of or violate any term or provision of the articles or the by-laws of Osum or of any agreement to which Osum is a party and by which it is bound; and
- (d) Osum is authorized to issue an unlimited number of Osum Shares, of which 135,186,961 Osum Shares are issued and outstanding as of the date hereof.
- (e) as of the date hereof, there are reasonable grounds for believing that (i) Amalco will be able to pay its liabilities as they become due, (ii) the realizable value of Amalco's assets will not be, less than the aggregate of its liabilities and stated capital of all classes, and (iii) no creditor of Osum will be prejudiced by the Amalgamation.

## **20. Filing of Documents**

Upon the Osum Shareholders approving the Amalgamation and confirming, ratifying and approving this Agreement in accordance with the ABCA, and subject to the other provisions of this Agreement, the Amalgamating Corporations shall jointly file, or cause to be filed, with the Registrar the Articles of Amalgamation and such other documents as may be required pursuant to the ABCA in order to affect the Amalgamation. The articles of Amalco, until repealed, amended or altered, shall be in the form attached hereto as Schedule "B".

## **21. Amendment**

This Agreement may at any time and from time to time before or after the holding of the Meeting be amended by written agreement of the Parties without, subject to applicable law, further notice to or authorization on the part of their respective shareholders; provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Osum Shareholders in exchange for

their Osum Shares without approval by the Osum Shareholders, given in the same manner as required for the approval of the Amalgamation.

**22. Termination**

This Agreement may, prior to the issuance of the Certificate of Amalgamation, be terminated by any Party, notwithstanding the approval of this Agreement by the Osum Shareholders and the shareholders of WOAC.

**23. Enurement**

This Agreement enures to the benefit of and is binding upon the Parties and their respective successors (including any successor by reason of amalgamation of any Party) and permitted assigns.

**24. Further Assurances**

Each of the Parties shall execute and deliver all other documents and do all acts or things as may be necessary or desirable to give effect to this Agreement. Without limiting the generality of the foregoing, Osum shall call and hold the Meeting for the purposes of Osum Shareholders considering and, if deemed appropriate, approving the Amalgamation and confirming, ratifying and approving this Agreement.

**25. Entire Agreement**

This Agreement, and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral, whether statutory or otherwise, between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

**26. Counterparts**

This Agreement may be executed by the Parties in counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement.

**27. Governing Law**

This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in the Province of Alberta. The Parties irrevocably submit to the exclusive jurisdiction of the courts of the competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to this Agreement or the subject matter hereof.

**28. Statutory References**

A reference to a statute includes all rules and Regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

***[Remainder of Page Intentionally Left Blank.]***



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

**WEF OSUM ACQUISITION CORP.**

By: (signed) "Adam Waterous"  
Name: Adam Waterous  
Title: Director

**OSUM OIL SANDS CORP.**

By: (signed) "Robert Morgan"  
Name: Robert Morgan  
Title: President and Chief Operating Officer

By: (signed) "Michael Makinson"  
Name: Michael Makinson  
Title: Chief Financial Officer

## SCHEDULE "A"

### RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS OF SHARE CAPITAL OF OSUM OIL SANDS CORP.

Osum Oil Sands Corp. (the "**Corporation**") is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series:

#### COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

1. **Voting**
  - 1.1 Holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation, except meetings of holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote.
2. **Dividends**
  - 2.1 Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares shall be entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time.
3. **Liquidation, Dissolution or Winding-Up**
  - 3.1 In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (such event referred to herein as a "**Distribution**"), holders of Common Shares shall be entitled, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Corporation.

#### PREFERRED SHARES

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

1. **Issuance in Series**
  - 1.1 Subject to the filing of Articles of Amendment in accordance with the *Business Corporations Act* (Alberta) (the "**Act**"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.
  - 1.2 Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

## Series A Preferred Shares

The Corporation is authorized to issue an unlimited number of Series A Preferred Shares:

### 1. **Definitions**

With respect to the Series A Preferred Shares, the following terms shall have the meanings ascribed to them below:

"**Act**" means the *Business Corporations Act* (Alberta);

"**Amalgamation**" means the amalgamation of Osum and WOAC to form the Corporation;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta;

"**Depository**" means Kingsdale Partners LP, operating as Kingsdale Advisors;

"**Letter of Transmittal**" means the letter of transmittal delivered to Shareholders in connection with the special meeting of Shareholders held on April 30, 2021;

"**Osum**" means Osum Oil Sands Corp.;

"**Osum Shares**" means the common shares in the capital of Osum issued and outstanding immediately prior to the Amalgamation;

"**Redemption Consideration**" means the consideration payable upon redemption of the Series A Preferred Shares, being \$3.00 in cash per Series A Preferred Share; and

"**Shareholder**" means a holder of Osum Shares immediately prior to the Amalgamation.

### 2. **No Voting Rights**

Except as otherwise expressly provided in the Act, the holders of the Series A Preferred Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of the shareholders of the Corporation.

### 3. **Dividends**

The holders of the Series A Preferred Shares shall not be entitled to receive any dividends thereon.

### 4. **Redemption**

4.1 All of the Series A Preferred Shares issued in the Amalgamation shall automatically be redeemed, without any notice of redemption or other act or formality on the part of the Corporation or any other person, immediately after the Amalgamation becomes effective and such shares have been issued (the "**Time of Redemption**") in accordance with the provisions of this Section 4.

4.2 At the Time of Redemption, all Series A Preferred Shares held by Shareholders shall be redeemed and such Shareholders shall be entitled to receive Redemption Consideration in the amount of \$3.00 in cash per Series A Preferred Share held by such Shareholders.

4.3 As soon as practicable following the Time of Redemption and in any event within five business days of the Time of Redemption, the Corporation shall deliver or cause to be delivered to the

Depository, at its principal office in the City of Toronto, Ontario, the aggregate Redemption Consideration. Delivery of the aggregate Redemption Consideration in such a manner shall be a full and complete discharge of the Corporation's obligation to deliver the Redemption Consideration to the holders of Series A Preferred Shares.

- 4.4 From and after the Time of Redemption and subject to the receipt of the aggregate Redemption Consideration in the manner contemplated by paragraph 4.2 above:
- 4.4.1 the Depository shall pay and deliver or cause to be paid and delivered to the respective holders of the Series A Preferred Shares, on presentation and surrender at the principal office of the Depository in the City of Toronto, Ontario of the certificates representing the Osum Shares previously outstanding prior to the Amalgamation, the Redemption Consideration (after deduction for any applicable withholding taxes required by law or, for greater certainty, under section 116 of the *Income Tax Act* (Canada) (the "**Applicable Withholdings**")) payable and deliverable to such holders, respectively; and
- 4.4.2 the holders of Series A Preferred Shares shall not be entitled to exercise any of the rights of shareholders in respect thereof and shall be entitled only to receive the Redemption Consideration (after deduction for any Applicable Withholdings) therefor.
- 4.5 From the Time of Redemption, the Series A Preferred Shares in respect of which deposit of the Redemption Consideration (after deduction for any Applicable Withholdings) is made to the Depository shall be deemed to be redeemed and cancelled, the Corporation shall be fully and completely discharged from its obligations with respect to the payment of the Redemption Consideration (after deduction for any Applicable Withholdings) to such holders of Series A Preferred Shares, and the rights of such holders shall be limited to receiving Redemption Consideration (after deduction for any Applicable Withholdings) payable to them by the Depository on presentation and surrender of the certificates representing the Osum Shares that were previously outstanding and held by them prior to the Amalgamation. Subject to the requirements of law with respect to unclaimed property, if applicable, if the Redemption Consideration (after deduction for any Applicable Withholdings) has not been fully paid to holders Series A Preferred Shares in accordance with the provisions hereof on or before the last Business Day prior to the third anniversary of the Time of Redemption, the Redemption Consideration shall be forfeited to the Corporation (or any successor thereof) and holders of Series A Preferred Shares shall cease to have any further rights, claims or interests, of any kind or nature, in and to the Redemption Consideration.

## 5. **Liquidation**

In the event of the liquidation or winding-up of the Corporation or any other distribution of the property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to the extinguishment of the rights of holders of Series A Preferred Shares upon payment of the Redemption Consideration, the holders of Series A Preferred Shares shall be entitled to receive and the Corporation shall pay to such holders, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of common shares or any other class of shares ranking junior to the Series A Preferred Shares as to such entitlement, an amount equal to the Redemption Consideration for each Series A Preferred Share held by them respectively and no more. After payment to the holders of the Series A Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

**SCHEDULE "B"**

**ARTICLES OF AMALGAMATION**

(See attached.)

# Articles of Amalgamation

Business Corporations Act  
Sections 181 and 187

This information is collected, used, and may be publicly disclosed in accordance with s. 33(a,c), 39 (1)(a,c), and 40(1)(c,e,f) of the *Freedom of Information and Protection of Privacy Act*; the *Business Corporations Act*; and the *Common Business Number Act*. It is required for the purpose of issuing a certificate of amalgamation and assigning a Canada Revenue Agency business number to the amalgamated corporation. Questions can be directed to the Service Alberta Contact Centre at [cr@gov.ab.ca](mailto:cr@gov.ab.ca) or 780-427-7013 (toll-free 310-0000 within Alberta).

1. **Name of Amalgamated Corporation**

OSUM OIL SANDS CORP.

2. **The classes of shares, and any maximum number of shares that the corporation is authorized to issue:**

The annexed Schedule "A" is incorporated into and forms part of this form.

3. **Restrictions on share transfers** (if there are no restrictions, enter "NONE"):

The annexed Schedule "B" is incorporated into and forms part of this form.

4. **Number, or minimum and maximum number of directors:**

Minimum: One (1); Maximum: Ten (10).

5. **If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restrictions** (if there are no restrictions, enter "NONE"):

None.

6. **Other rules or provisions** (if there are no other rules or provisions, enter "NONE"):

The annexed Schedule "C" is incorporated into and forms part of this form.

7. **Amalgamating Corporations**

Name	Corporate Access Number	CRA Business Number
Osum Oil Sands Corp.	2013231531	832270078
WEF Osum Acquisition Corp.	2022980995	704113331

8. **Authorized Signing Authority for the Corporation**

\_\_\_\_\_  
Date  
  
Waterous, Adam  
\_\_\_\_\_  
Last Name, First Name, Middle Initial (optional)  
  
\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Signature  
  
Director  
\_\_\_\_\_  
Relationship to Corporation  
  
Not Applicable.  
\_\_\_\_\_  
Email

**SCHEDULE "A"**  
**TO THE ARTICLES OF AMALGAMATION**  
**OF**  
**OSUM OIL SANDS CORP.**  
(the "Corporation")

(share structure)

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series:

**COMMON SHARES**

The rights, privileges, restrictions and conditions attaching to the Common Shares shall be as follows:

**1. Voting**

1.1 Holders of Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation, except meetings of holders of another class of shares. Each Common Share shall entitle the holder thereof to one vote.

**2. Dividends**

2.1 Subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares shall be entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time.

**3. Liquidation, Dissolution or Winding-Up**

3.1 In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (such event referred to herein as a "**Distribution**"), holders of Common Shares shall be entitled, subject to the preferences accorded to holders of Preferred Shares and any other shares of the Corporation ranking senior to the Common Shares from time to time with respect to payment on a Distribution, to share equally, share for share, in the remaining property of the Corporation.

**PREFERRED SHARES**

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

**1. Issuance in Series**

1.1 Subject to the filing of Articles of Amendment in accordance with the *Business Corporations Act* (Alberta) (the "**Act**"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.

1.2 Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a

Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non- cumulative), if any.



**SHARES IN SERIES SCHEDULE  
OF  
OSUM OIL SANDS CORP.  
(the "Corporation")**

Series A Preferred Shares

The Corporation is authorized to issue an unlimited number of Series A Preferred Shares:

1. **Definitions**

With respect to the Series A Preferred Shares, the following terms shall have the meanings ascribed to them below:

"**Act**" means the *Business Corporations Act* (Alberta);

"**Amalgamation**" means the amalgamation of Osum and WOAC to form the Corporation;

"**Board**" means the board of directors of the Corporation;

"**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in the Province of Alberta;

"**Depository**" means Kingsdale Partners LP, operating as Kingsdale Advisors;

"**Letter of Transmittal**" means the letter of transmittal delivered to Shareholders in connection with the special meeting of Shareholders held on April 30, 2021;

"**Osum**" means Osum Oil Sands Corp.;

"**Osum Shares**" means the common shares in the capital of Osum issued and outstanding immediately prior to the Amalgamation;

"**Redemption Consideration**" means the consideration payable upon redemption of the Series A Preferred Shares, being \$3.00 in cash per Series A Preferred Share; and

"**Shareholder**" means a holder of Osum Shares immediately prior to the Amalgamation.

2. **No Voting Rights**

Except as otherwise expressly provided in the Act, the holders of the Series A Preferred Shares shall not be entitled to receive notice of, or to attend or to vote at, any meeting of the shareholders of the Corporation.

3. **Dividends**

The holders of the Series A Preferred Shares shall not be entitled to receive any dividends thereon.

4. **Redemption**

4.1 All of the Series A Preferred Shares issued in the Amalgamation shall automatically be redeemed, without any notice of redemption or other act or formality on the part of the Corporation or any other person, immediately after the Amalgamation becomes effective and such shares have been issued (the "**Time of Redemption**") in accordance with the provisions of this Section 4.

- 4.2 At the Time of Redemption, all Series A Preferred Shares held by Shareholders shall be redeemed and such Shareholders shall be entitled to receive Redemption Consideration in the amount of \$3.00 in cash per Series A Preferred Share held by such Shareholders.
- 4.3 As soon as practicable following the Time of Redemption and in any event within five business days of the Time of Redemption, the Corporation shall deliver or cause to be delivered to the Depository, at its principal office in the City of Toronto, Ontario, the aggregate Redemption Consideration. Delivery of the aggregate Redemption Consideration in such a manner shall be a full and complete discharge of the Corporation's obligation to deliver the Redemption Consideration to the holders of Series A Preferred Shares.
- 4.4 From and after the Time of Redemption and subject to the receipt of the aggregate Redemption Consideration in the manner contemplated by paragraph 4.2 above:
- 4.4.1 the Depository shall pay and deliver or cause to be paid and delivered to the respective holders of the Series A Preferred Shares, on presentation and surrender at the principal office of the Depository in the City of Toronto, Ontario of the certificates representing the Osum Shares previously outstanding prior to the Amalgamation, the Redemption Consideration (after deduction for any applicable withholding taxes required by law or, for greater certainty, under section 116 of the *Income Tax Act* (Canada) (the "**Applicable Withholdings**")) payable and deliverable to such holders, respectively; and
- 4.4.2 the holders of Series A Preferred Shares shall not be entitled to exercise any of the rights of shareholders in respect thereof and shall be entitled only to receive the Redemption Consideration (after deduction for any Applicable Withholdings) therefor.
- 4.5 From the Time of Redemption, the Series A Preferred Shares in respect of which deposit of the Redemption Consideration (after deduction for any Applicable Withholdings) is made to the Depository shall be deemed to be redeemed and cancelled, the Corporation shall be fully and completely discharged from its obligations with respect to the payment of the Redemption Consideration (after deduction for any Applicable Withholdings) to such holders of Series A Preferred Shares, and the rights of such holders shall be limited to receiving Redemption Consideration (after deduction for any Applicable Withholdings) payable to them by the Depository on presentation and surrender of the certificates representing the Osum Shares that were previously outstanding and held by them prior to the Amalgamation. Subject to the requirements of law with respect to unclaimed property, if applicable, if the Redemption Consideration (after deduction for any Applicable Withholdings) has not been fully paid to holders Series A Preferred Shares in accordance with the provisions hereof on or before the last Business Day prior to the third anniversary of the Time of Redemption, the Redemption Consideration shall be forfeited to the Corporation (or any successor thereof) and holders of Series A Preferred Shares shall cease to have any further rights, claims or interests, of any kind or nature, in and to the Redemption Consideration.

## 5. **Liquidation**

In the event of the liquidation or winding-up of the Corporation or any other distribution of the property or assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to the extinguishment of the rights of holders of Series A Preferred Shares upon payment of the Redemption Consideration, the holders of Series A Preferred Shares shall be entitled to receive and the Corporation shall pay to such holders, before any amount shall be paid or any property or assets of the Corporation shall be distributed to the holders of common shares or any other class of shares ranking junior to the Series A Preferred Shares as to such entitlement, an amount equal to the Redemption Consideration for each Series A Preferred Share held by them respectively and no more. After payment to the holders of the Series A Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Corporation.

**SCHEDULE "B"**  
**TO THE ARTICLES OF AMALGAMATION**  
**OF**  
**OSUM OIL SANDS CORP.**  
**(the "Corporation")**

(restrictions on share transfers)

The right to transfer securities of the Corporation will be restricted such that no securities of the Corporation, other than non-convertible debt securities, shall be transferred without the consent of either:

- (i) a majority of the directors of the Corporation expressed by a resolution passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors;  
or
- (ii) the holders of a majority of the outstanding shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares in the corporation) expressed by a resolution passed at a meeting of such shareholders or by an instrument or instruments in writing signed by the holders of a majority of such shares.

**SCHEDULE "C"**  
**TO THE ARTICLES OF AMALGAMATION**  
**OF**  
**OSUM OIL SANDS CORP.**  
**(the "Corporation")**

(other rules or provisions)

1. The number of holders of securities of the Corporation, other than non-convertible debt securities, not including employees and former employees of the Corporation or its affiliates, is limited to not more than fifty (50) persons, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation, in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner.
2. Any invitation to the public to subscribe for the Corporation's securities is prohibited.
3. The directors of the Corporation may appoint one or more directors within the limits provided in the *Business Corporations Act* (Alberta).
4. The Corporation has a lien on every security registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation.
5. Shareholders meetings may be held anywhere inside or outside of Alberta that the directors determine by resolution from time to time.

**SCHEDULE "C"**

**BY-LAW NO. 1 OF OSUM OIL SANDS CORP.**

**BY-LAW NO. 1**

A By-Law relating generally to the transaction of the business and affairs of **Osum Oil Sands Corp.**

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IT IS HEREBY ENACTED as By-law No. 1 of **Osum Oil Sands Corp.** (hereinafter called the "**Corporation**") as follows:

**SECTION 1  
INTERPRETATION**

**1.01 Definitions**

In the by-laws of the Corporation, unless the context otherwise requires:

"**Act**" means the *Business Corporations Act* (Alberta), and any statute that may be substituted therefor, as from time to time amended;

"**appoint**" includes "elect" and vice versa;

"**articles**" means the articles attached to the Certificate of Incorporation of the Corporation as from time to time amended or restated;

"**board**" means the board of directors of the Corporation;

"**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect;

"**meeting of shareholders**" means any meeting of shareholders, including any meeting of one or more classes or series of shareholders;

"**recorded address**" means, in the case of a shareholder, his address as recorded in the securities register; in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation; and

"**signing officer**" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.03 or by a resolution passed pursuant thereto.

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

#### **1.02 Conflict with the Act, the Articles or any Unanimous Shareholder Agreement**

To the extent of any conflict between the provisions of the by-laws and the provisions of the Act, the articles or any unanimous shareholder agreement relating to the Corporation, the provisions of the Act, the articles or the unanimous shareholder agreement shall govern.

#### **1.03 Headings and Sections**

The headings used throughout the by-laws are inserted for convenience of reference only and are not to be used as an aid in the interpretation of the by-laws. "Section" followed by a number means or refers to the specified section of this by-law.

#### **1.04 Invalidity of any Provision of By-laws**

The invalidity or unenforceability of any provision of the by-laws shall not affect the validity or enforceability of the remaining provisions of the by-laws.

### **SECTION 2 BUSINESS OF THE CORPORATION**

#### **2.01 Corporate Seal**

The corporate seal of the Corporation, if any, shall be in such form as the board may from time to time by resolution approve.

#### **2.02 Financial Year**

The financial year of the Corporation shall end on such date in each year as the board may from time to time by resolution determine.

### **2.03 Execution of Instruments**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by one person whom holds the office of chair of the board, president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or director or any other office created by by-law or by resolution of the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any instrument or instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

### **2.04 Banking Arrangements**

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or other persons as may from time to time be authorized by the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

### **2.05 Voting Rights in Other Bodies Corporate**

The signing officers may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the persons executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board or, failing the board, the signing officers may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

### **2.06 Insider Trading Reports and Other Filings**

Any one officer or director of the Corporation may execute and file on behalf of the Corporation insider trading reports and other filings of any nature whatsoever required under applicable corporate or securities laws.

### **2.07 Divisions**

The board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions upon such basis, including without limitation, types of business or operations, geographical territories, product lines or goods or services, as the board may consider appropriate in each case. From time to time the board may authorize upon such basis as may be considered appropriate in each case:

- (a) the designation of any such division by, and the carrying on of the business and operations of any such division under, a name other than the name of the Corporation; provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation; and
- (b) the appointment of officers for any such division and the determination of their powers and duties, provided that any such officers shall not, as such, be officers of the Corporation.

## **SECTION 3 DIRECTORS**

### **3.01 Number of Directors**

If the articles provide for a maximum number and a minimum number of directors, unless otherwise provided in the articles, the number of directors of the Corporation shall be determined from time to time by ordinary resolution of the shareholders or, in the absence of such resolution, by resolution of the directors.

### **3.02 Calling and Notice of Meetings**

Meetings of the board shall be called and held at such time and at such place as the board, the chair of the board, the president or any two directors may determine, and the secretary or any other officer shall give notice of meetings when directed or authorized by such persons. Notice of each meeting of the board shall be given to each director not less than forty-eight hours before the time when the meeting is to be held, provided that, if a quorum of directors is present, the board may without notice hold a meeting immediately following an annual meeting of shareholders. Notice of a meeting of the board may be given verbally, in writing or by telephone, electronic transmission or any other means of communication. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting, except where required by the Act. Notwithstanding the foregoing, the board may from time to time fix a day or days in any month or months for regular meetings of the board at a place and hour to be named, in which case, provided that a copy of any such resolution is sent to each director forthwith after being passed and forthwith after each director's appointment, no other notice shall be required for any such regular meeting except where the Act requires specification of the purpose or the business to be transacted thereat.

### **3.03 Place of Meetings**

Meetings of the board may be held at any place in or outside Alberta. A director who attends a meeting of directors, in person or by telephone, is deemed to have consented to the location of the meeting except when he attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

### **3.04 Meetings by Telephone**

With the consent of the chair of the meeting or a majority of the directors present at the meeting, a director may participate in a meeting of the board or of a committee of the board by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other. A director participating in such a meeting in such manner shall be considered present at the meeting and at the place of the meeting.

### **3.05 Quorum**

The quorum for the transaction of business at any meeting of the board shall consist of a majority of directors or such greater or lesser number of directors as the board may from time to time determine, provided that, if the board consists of only one director, the quorum for the transaction of business at any meeting of the board shall consist of one director.

### **3.06 Chair**

The chair of any meeting of the board shall be the director present and willing to so act at the meeting who is the first mentioned of the following officers as have been appointed: chair of the board, president or a vice-president (in order of seniority). If no such officer is present and willing to act, the directors present shall choose one of their number to be chair.



### **3.07 Action by the Board**

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. The powers of the board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed by all the directors who would be entitled to vote on that resolution at a meeting of the board. Resolutions in writing may be signed in counterparts.

### **3.08 Adjourned Meeting**

Any meeting of directors may be adjourned from time to time by the chair of the meeting, with the consent of the meeting, to a fixed time and place. The adjourned meeting shall be duly constituted if a quorum is present and if it is held in accordance with the terms of the adjournment. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.

### **3.09 Remuneration and Expenses**

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for reasonable travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

### **3.10 Officers**

The board from time to time may appoint one or more officers of the Corporation and, without prejudice to rights under any employment contract, may remove any officer of the Corporation. The powers and duties of each officer of the Corporation shall be those determined from time to time by the board and, in the absence of such determination, shall be those usually incidental to the office held.

### **3.11 Agents and Attorneys**

The board shall have the power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

## **SECTION 4 COMMITTEES**

### **4.01 Transaction of Business**

The powers of any committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. At all meetings of committees every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall not be entitled to a second or casting vote. Resolutions in writing may be signed in counterparts.

### **4.02 Procedure**

Unless otherwise determined by the board, a quorum for meetings of any committee shall be a majority of its members, each committee shall have the power to appoint its chair and the rules for calling, holding, conducting and adjourning meetings of the committee shall be the same as those governing the board. Each member of a committee shall serve during the pleasure of the board of directors and, in any

event, only so long as he shall be a director. The directors may fill vacancies in a committee by appointment from among their members. Provided that a quorum is maintained, the committee may continue to exercise its powers notwithstanding any vacancy among its members.

## **SECTION 5 PROTECTION OF DIRECTORS AND OFFICERS**

### **5.01 Limitation of Liability**

No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or with which any moneys, securities or effects shall be lodged or deposited, or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets of or belonging to the Corporation or for any other loss, damage or misfortune whatsoever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and with a view to the best interests of the Corporation and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

### **5.02 Indemnity**

The Corporation shall, to the maximum extent permitted under the Act, indemnify a director or officer, a former director or officer, and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, including (without limitation) any such action by or on behalf of the Corporation or such body corporate to procure a judgment in its favour, and the Corporation shall use its reasonable best efforts to obtain any approval or approvals necessary for such indemnification.

## **SECTION 6 SHARES**

### **6.01 Non-Recognition of Trusts**

Subject to the provisions of the Act, the Corporation may treat as the absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

### **6.02 Joint Shareholders**

If two or more persons are registered as joint holders of any share:

- (a) the Corporation shall record only one address on its books for such joint holders;
- (b) the address of such joint holders for all purposes with respect to the Corporation shall be their recorded address; and

- (c) any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

### **6.03 Lien for Indebtedness**

If the articles provide that the Corporation has a lien on any shares registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation, such lien may be enforced, subject to the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

## **SECTION 7 DIVIDENDS**

### **7.01 Dividend Cheques**

A dividend payable in cash shall be paid by cheque of the Corporation or of any dividend paying agent appointed by the board, to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs and the Corporation agrees to follow such direction. In the case of joint holders the cheque shall, unless such joint holders otherwise direct and the Corporation agrees to follow such direction, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

### **7.02 Non-receipt of Cheques**

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

### **7.03 Unclaimed Dividends**

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **SECTION 8 MEETINGS OF SHAREHOLDERS**

### **8.01 Chair, Secretary and Scrutineers**

The chair of any meeting of shareholders, who need not be a shareholder of the Corporation, shall be the first mentioned of the following officers as has been appointed and is present and is willing to so act at the meeting: chair of the board, president or a vice-president (in order of seniority). If no such officer is present and willing to act as chair within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. The chair shall conduct the proceedings at the meeting in all respects and his decision in any matter or thing, including, but without in any way limiting the generality of the foregoing, any question regarding the validity or invalidity of any instruments of proxy and any question as to the admission or rejection of a vote, shall be conclusive and binding upon the shareholders. The secretary of any meeting of shareholders shall be the secretary of the Corporation, provided that, if the Corporation does not have a secretary or if the secretary of the Corporation

is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. The board may from time to time appoint in advance of any meeting of shareholders one or more persons to act as scrutineers at such meeting and, in the absence of such appointment, the chair may appoint one or more persons to act as scrutineers at any meeting of shareholders. Scrutineers so appointed may, but need not be, shareholders, directors, officers or employees of the Corporation.

### **8.02 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be:

- (a) those entitled to vote at such meeting;
- (b) the directors and auditors of the Corporation;
- (c) others who, although not entitled to vote, are entitled or required under any provision of the Act, the articles or the by-laws to be present at the meeting;
- (d) legal counsel to the Corporation when invited by the Corporation to attend the meeting; and
- (e) any other person on the invitation of the chair or with the consent of the meeting.

### **8.03 Quorum**

A quorum for the transaction of business at any meeting of shareholders shall be one person present in person, being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled, and representing in the aggregate not less than 51% of the outstanding shares of the Corporation carrying voting rights at the meeting, provided that, if there should be only one shareholder of the Corporation entitled to vote at any meeting of shareholders, the quorum for the transaction of business at a meeting of shareholders shall consist of the one shareholder.

### **8.04 Representatives**

The authority of an individual to represent a body corporate or association at a meeting of shareholders of the Corporation shall be established by depositing with the Corporation a certified copy of the resolution of the directors or governing body of the body corporate or association, as the case may be, granting such authority, or in such other manner as may be satisfactory to the chair of the meeting.

### **8.05 Action by Shareholders**

The shareholders shall act by ordinary resolution unless otherwise required by the Act, articles, by-laws or any unanimous shareholders agreement. In case of an equality of votes either upon a show of hands or upon a poll, the chair of the meeting shall not be entitled to a second or casting vote.

### **8.06 Show of Hands**

Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

**8.07 Ballots**

A ballot required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

**8.08 Meetings by Telephone**

With the consent of the chair of the meeting or the consent (as evidenced by a resolution) of the persons present and entitled to vote at the meeting, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by those means shall be considered present at the meeting and at the place of the meeting.

**SECTION 9  
NOTICES**

**9.01 Omissions and Errors**

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

**9.02 Persons Entitled by Death or Operation of Law**

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

**SECTION 10  
EFFECTIVE DATE**

**10.01 Effective Date**

This by-law shall come into force when made by the board in accordance with the Act.

MADE by the board as evidenced by the signature of the following director, effective the \_\_\_\_ day of April, 2021.

---

**Adam R. Waterous**

CONFIRMED by the shareholders as evidenced by the signature of the following shareholder, effective the \_\_\_\_ day of April, 2021.

**Waterous Energy Fund (Canadian) LP, by its  
General Partner, WEF GP (Canadian) Corp.**

Per: \_\_\_\_\_  
**Authorized Signatory**

## APPENDIX C

### SECTION 191 OF THE ABCA

#### Shareholder's right to dissent

- 191(1)** Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
  - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
  - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
  - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
  - (d) be continued under the laws of another jurisdiction under section 189, or
  - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2)** A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3)** In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4)** A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5)** A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
  - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6)** An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),
- (a) by the corporation, or
  - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who

dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7)** If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8)** Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

  - (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
  - (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9)** Every offer made under subsection (7) shall

  - (a) be made on the same terms, and
  - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10)** A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11)** A dissenting shareholder

  - (a) is not required to give security for costs in respect of an application under subsection (6), and
  - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12)** In connection with an application under subsection (6), the Court may give directions for

  - (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
  - (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the *Alberta Rules of Court*,
  - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
  - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
  - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
  - (f) the service of documents, and
  - (g) the burden of proof on the parties.
- (13)** On an application under subsection (6), the Court shall make an order



- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(14)** On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

**(15)** Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

**(16)** Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

**(17)** The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

**(18)** If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**(19)** Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as

soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**(20)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.