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**THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY, SUBSCRIBE FOR OR OTHERWISE ACQUIRE ANY NEW COMMON SHARES OF TOUCHSTONE EXPLORATION INC. IN ANY JURISDICTION IN WHICH ANY SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014. IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.**



**TOUCHSTONE EXPLORATION INC.**

**PROPOSED PRIVATE PLACEMENT RAISING A MINIMUM US\$9.1 MILLION  
TO ACCELERATE ORTOIRE EXPLORATION PROGRAM**

CALGARY, ALBERTA (February 19, 2020) – Touchstone Exploration Inc. ("Touchstone", "we", "us" or the "Company") (TSX / LSE: TXP) announces a proposed placing (the "Placing") of a minimum of US\$9.1 million (approximately £7.0 million) through the issue of common shares of no par value (the "Placing Shares") with institutional investors in the United Kingdom at a minimum price of 38 pence per Placing Share (approximately C\$0.66) (the "Placing Price"). The Placing Price represents a 14.6 percent and 8.3 percent discount to 44.47 pence and 41.46 pence, being the five and ten day volume weighted average price of the Company's common shares on the AIM market of the London Stock Exchange ("AIM") as of February 18, 2020, respectively. In the event of excess demand, the Company reserves the right to increase the size of the Placing. The Placing is being completed by way of an accelerated bookbuild. Shore Capital is acting as sole bookrunner in connection with the Placing.

**Background to the Placing and Use of Proceeds**

The Company commenced its exploration program on the Ortoire block, onshore in the Republic of Trinidad and Tobago (Touchstone 80% working interest) in the second half of 2019, drilling two gross exploration wells (1.6 net). Coho-1, the first natural gas prospect, had an encouraging production test that exceeded the Company's expectations. Touchstone completed drilling its second Ortoire exploration prospect, Cascadura-1, in December 2019, and the first stage of production testing in February 2020 confirmed a substantial liquids-rich gas discovery.

On the basis of the successful results from the first two Ortoire exploration wells, the Company is launching the Placing in order to support the drilling of a further Ortoire exploration well at the Chinook prospect, which is targeting a separate structure along the same geological trend. The net proceeds of the Placing are also expected to be used to complete the second stage of the Cascadura-1ST1 production test and provide additional working capital for the Company while it progresses the Ortoire exploration program. Subject to the result of the Placing, operational cashflows from ongoing production and prevailing commodity pricing, the Company intends to undertake drilling of the fourth exploration well at the Royston prospect on the Ortoire block and continue well recompletions on its current development properties in 2020.

## **Details of the Placing**

The Placing is being completed within the Company's existing share issuance authorities. Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (together, "Shore Capital") will be conducting an accelerated bookbuilding process in respect of the Placing (the "Bookbuild"). The book will open with immediate effect. Shore Capital has entered into an agreement with Touchstone (the "Placing Agreement") under which, subject to the conditions set out therein, Shore Capital will agree to use its respective reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price. The Placing is subject to the terms and conditions set out in the Appendix to this announcement. Members of the public are not entitled to participate in the Placing.

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with Touchstone's existing issued common shares of no par value each ("Common Shares"). Details of the final number of Placing Shares and the Placing Price will be announced as soon as practicable after the closing of the Bookbuild.

Application will be made for the Placing Shares to be admitted to trading on the Toronto Stock Exchange ("TSX") and AIM ("Admission"). It is expected that Admission will take place at or around 8.00 a.m. (London time) on February 26, 2020 (or such later date as may be agreed between the Company and Shore Capital). The Placing is conditional upon, inter alia, Admission becoming effective. The Placing is also conditional upon the Placing Agreement not being terminated in accordance with its terms.

All Placing Shares will be freely transferable outside of Canada; however, the Placing Shares are subject to a four-month and one day restricted hold period in Canada which will prevent such Placing Shares from being resold in Canada, through a Canadian exchange or otherwise, during the restricted period without an exemption from the Canadian prospectus requirement.

This announcement should be read in its entirety. In particular, you should read and understand the information provided in the "Important Notice" section of this announcement.

## **About Touchstone**

Touchstone Exploration Inc. is a Calgary based company engaged in the business of acquiring interests in petroleum and natural gas rights and the exploration, development, production and sale of petroleum and natural gas. Touchstone is currently active in onshore properties located in the Republic of Trinidad and Tobago. The Company's common shares are traded on the Toronto Stock Exchange and the AIM market of the London Stock Exchange under the symbol "TXP".

For further information about Touchstone, please visit our website at [www.touchstoneexploration.com](http://www.touchstoneexploration.com) or contact:

### **Touchstone Exploration Inc.**

Mr. Paul Baay, President and Chief Executive Officer

Tel: +1 (403) 750-4487

Mr. Scott Budau, Chief Financial Officer

### **Shore Capital (Nominated Advisor and Broker)**

Nominated Advisor: Edward Mansfield / Daniel Bush / Michael McGloin

Tel: +44 (0) 207 408 4090

Corporate Broking: Jerry Keen

### **Camarco (Financial PR)**

Nick Hennis / Billy Clegg

Tel: +44 (0) 203 781 8330

## **Advisories**

For reference purposes in this announcement, one British pound has been converted into US dollars at a rate of 1.00 to 1.30 and Canadian dollars at a rate of 1.00 to 1.73.

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

Certain information provided in this announcement may constitute forward-looking statements within the meaning of applicable securities laws. Forward-looking statements in this announcement include, but are not limited to, those in respect of the anticipated size, pricing and closing date of the Placing; the satisfaction of all required conditions and approvals (including approvals from the TSX and AIM) for completion of the Placing; the Company's intended use of the net proceeds of the Placing, including the potential undertaking, timing, number, locations and costs of future exploration and development well drilling and well recompletions; and the sufficiency of resources and available financing to fund future exploration and development well drilling and well recompletion operations. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Certain of these risks are set out in more detail in the Company's December 31, 2018 Annual Information Form dated March 26, 2019 which has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this announcement are made as of the date hereof, and except as may be required by applicable securities laws, the Company assumes no obligation to update publicly or revise any forward-looking statements made herein or otherwise, whether as a result of new information, future events or otherwise.

## ***Important Notice***

No prospectus, offering document or admission document will be made available in connection with the matters contained in this announcement.

In any EEA Member State that has implemented the Prospectus Regulation (EU) 2017/1129 (the "Prospectus Regulation"), as amended, and the United Kingdom (together with any implementing measures in any Member State and the United Kingdom), this announcement is only addressed to and directed at persons in such member states and the United Kingdom who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation ("Qualified Investors"). In addition, in the United Kingdom, this announcement is addressed and directed only at Qualified Investors who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are persons to whom it may otherwise be lawful to communicate it to (all such persons being referred to as "Relevant Persons"). Any investment or investment activity to which this announcement relates is available only to Relevant Persons in the United Kingdom and Qualified Investors in any member state of the EEA and will be engaged in only with such persons. Other persons should not rely or act upon this announcement or any of its contents.

This announcement, including the terms and conditions set out in the Appendix, must not be acted on or relied on by persons who are not Relevant Persons. Persons distributing this announcement must satisfy themselves that it is lawful to do so. Any investment or investment activity to which this announcement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. This announcement does not itself constitute an offer for sale or subscription of any securities in the Company. Persons distributing this announcement must satisfy themselves that it is lawful to do so. This announcement is for information only and does not constitute an offer to sell, or a solicitation of an offer to buy or otherwise acquire, any securities in any jurisdiction. Persons needing advice should consult an independent financial adviser.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this announcement should seek appropriate advice before taking any action.

Neither this announcement nor any copy of it may be taken or transmitted, published or distributed, directly or indirectly, in whole or in part, in, into or from the United States of America (including its territories and possessions, any state of the United States of America (the "United States" or the "US")), Australia, Japan or the Republic of South Africa or transmitted, distributed to, or sent by, any national or resident or citizen of any such countries or any other jurisdiction where to do so would constitute a violation of the relevant securities laws of such jurisdiction (each a "Restricted Jurisdiction"). Any failure to comply with this restriction may constitute a violation of United States, Australian Japanese or South African securities laws.

This announcement is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA") by, Shore Capital or any other person authorised under FSMA. This announcement is being distributed and communicated to persons in the United Kingdom and Canada only in circumstances in which section 21(1) of FSMA does not apply or otherwise falls within a relevant exemption. No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Persons needing advice should consult an independent financial adviser.

Persons (including without limitation, nominees and trustees) who have a contractual right or other legal obligations to forward a copy of this announcement should seek appropriate advice before taking any action.

This announcement does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any shares or other securities in any Restricted Jurisdiction. The Placing and the distribution of this announcement and other information in connection with the Placing in certain jurisdictions may be restricted by law and persons into whose possession this announcement and any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been taken by the Company, Shore Capital or any of their respective directors, officers, partners, agents, employees or affiliates that would permit an offer of the Placing Shares or possession or distribution of this announcement or any other publicity material relating to such Placing Shares in any jurisdiction where action for that purpose is required. Persons receiving this announcement are required to inform themselves about and to observe any such restrictions.

The Placing Shares referred to in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered, sold or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Placing Shares have not been and will not be approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

The information contained in this announcement is for background purposes only and does not purport to be full or complete.

No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. The Company does not undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution

of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Placing or any transaction or arrangement referred to in this announcement.

Any indication in this announcement of the price at which the Common Shares have been bought or sold in the past cannot be relied upon as a guide to future performance. Persons needing advice should consult an independent financial adviser. No statement in this announcement is intended to be a profit forecast and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

This announcement has not been approved by any competent regulatory authority. Shore Capital and Corporate Limited ("SCC") is nominated advisor to the Company. SCC, which is authorised and regulated by the Financial Conduct Authority ("FCA"), is acting exclusively for the Company and no one else in connection with the proposed Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of SCC or for advising any other person in respect of the Placing. Shore Capital Stockbrokers Limited ("SCS") has been appointed as brokers to the Company in respect of the Placing. SCS, which is authorised and regulated by the FCA, is acting exclusively for the Company and no one else in connection with the proposed Placing and will not be acting for any other person or otherwise responsible to any person other than the Company for providing the protections afforded to clients of SCS or for advising any other person in respect of the Placing.

No representation or warranty, express or implied, is or will be made as to, or in relation to, and no responsibility or liability is or will be accepted by Shore Capital or by any of its affiliates or its affiliates' agents, directors, officers and employees, respectively, as to, or in relation to, the accuracy or completeness of this announcement or any other written or oral information made available to or publicly available to any interested party or its advisers, and any liability therefor is expressly disclaimed.

By participating in the Bookbuilding and the Placing, each person who is invited to and who chooses to participate in the Placing (each a "Placee") by making an oral and legally binding offer to acquire Placing Shares will be deemed to have read and understood this announcement in its entirety, to be participating, making an offer and acquiring Placing Shares on the terms and conditions contained in the Appendix to this announcement and to be providing the representations, warranties, indemnities, acknowledgements and undertakings contained in the Appendix to this announcement.

This announcement does not constitute a recommendation concerning any investor's options with respect to the Placing. The price of shares and any income expected from them may go down as well as up and investors may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each investor or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR"). Upon publication of this announcement, the inside information is now considered to be in the public domain for the purposes of MAR. The person responsible for arranging release of this information on behalf of the Company is Paul Baay.

### ***Information to Distributors***

Solely for the purposes of Article 9(8) of Commission Delegated Directive 2017/593 (the "Delegated Directive") regarding the responsibilities of manufacturers under the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and

disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that such Placing Shares are: (i) compatible with the target market for the Placing of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all eligible distribution channels for dissemination of the Placing Shares, each as set out in this announcement, as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Shore Capital will only seek to procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

#### **APPENDIX - TERMS AND CONDITIONS OF THE PLACING IMPORTANT INFORMATION FOR PLACEEES ONLY**

**THIS ANNOUNCEMENT, INCLUDING THIS APPENDIX (TOGETHER, THE "ANNOUNCEMENT"), AND THE INFORMATION IN IT IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO OR FROM THE UNITED STATES, AUSTRALIA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL (EACH A "RESTRICTED JURISDICTION").**

**MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING AND NO PUBLIC OFFERING OF SECURITIES WILL BE MADE. THIS ANNOUNCEMENT IS DIRECTED ONLY AT PERSONS WHO ARE: (A) PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA AND THE UNITED KINGDOM WHO ARE "QUALIFIED INVESTORS" AS DEFINED IN ARTICLE 2(E) OF REGULATION (EU) 2017/1129 (TOGETHER WITH ANY RELEVANT IMPLEMENTING MEASURE IN ANY MEMBER STATE AND THE UNITED KINGDOM, THE "PROSPECTUS REGULATION"); and (B) IF IN THE UNITED KINGDOM, PERSONS WHO (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 AS AMENDED (THE "ORDER") OR (II) FALL WITHIN THE DEFINITION OF "HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC" IN ARTICLE 49(2)(A) TO (D) OF THE ORDER OR (III) ARE OTHERWISE PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS ANNOUNCEMENT MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. DISTRIBUTION OF THIS ANNOUNCEMENT IN CERTAIN JURISDICTIONS MAY BE RESTRICTED OR PROHIBITED BY LAW. PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO.**

This Announcement does not constitute or form part of any offer to sell, or any solicitation of an offer to buy, securities in the United States. The Placing Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold or delivered, directly or indirectly, in or into the United States absent registration except pursuant to an exemption from or in a transaction not subject to the registration requirements of the US Securities Act. No public offering of the Placing Shares is being made in the United States. The Placing Shares are being offered and sold outside the United States in offshore transactions, as defined in, and in compliance with, Regulation S under the US Securities Act. Persons receiving this Announcement (including custodians, nominees and trustees) must not forward, distribute, mail or otherwise transmit it in or into the United States or use the United States mails, directly or indirectly, in connection with the Placing.

This Announcement does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for Placing Shares in any jurisdiction including, without limitation, the Restricted Jurisdictions or any other jurisdiction in which such offer or solicitation is or may be unlawful. This Announcement and the information contained in it is not for publication or distribution, directly or indirectly, to persons in a Restricted Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction.

No prospectus has been lodged with or registered by the Australian Securities and Investments Commission or the Japanese Ministry of Finance or the South African Reserve Bank; and the Placing Shares have not been, nor will they be, registered under or offered in compliance with the securities laws of any state, province or territory of Australia, Japan or the Republic of South Africa. Accordingly, the Placing Shares may not (unless an exemption under the relevant securities laws is applicable) be offered, sold, resold or delivered, directly or indirectly, in or into Australia, Japan, the Republic of South Africa or any other jurisdiction in which such offer, sale, resale or delivery would be unlawful.

By participating in the Placing, each person who is invited to and who chooses to participate in the Placing (a "Placee") by making or accepting an oral offer to subscribe for Placing Shares is deemed to have read and understood this Announcement in its entirety (including this Appendix) and to be providing the representations, warranties, undertakings, agreements and acknowledgements contained in this Appendix to the Company and Shore Capital.

Persons (including, without limitation, nominees and trustees) who have a contractual or other legal obligation to forward a copy of this Appendix or this Announcement of which it forms part should seek appropriate advice before taking any action.

These terms and conditions apply to persons making an offer to acquire Placing Shares. Each Placee will be deemed to have read and understood this Announcement (including this Appendix) and hereby agrees with Shore Capital and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Shares will be issued or acquired. A Placee shall, without limitation, become so bound if Shore Capital confirms to such Placee its allocation of Placing Shares.

Upon being notified of its allocation of Placing Shares, a Placee shall be contractually committed to acquire the number of Placing Shares allocated to it at the Placing Price and, to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment.

**EACH PLACEE SHOULD CONSULT WITH ITS OWN ADVISERS AS TO THE LEGAL, REGULATORY, TAX, BUSINESS AND RELATED ASPECTS OF A SUBSCRIPTION OF PLACING SHARES. THE PRICE OF SHARES AND THE INCOME FROM THEM (IF ANY) MAY GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE FULL AMOUNT INVESTED ON DISPOSAL OF SHARES.**

## **Details of the Placing Agreement and the Placing Shares**

The Company has today entered into a placing agreement (the "Placing Agreement") with Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (together, "Shore Capital"). Pursuant to the Placing Agreement, Shore Capital has, subject to the terms set out in such agreement, agreed to use reasonable endeavours, as agent of the Company, to procure Placees for the Placing Shares (the "Placing"). Shore Capital will be conducting an accelerated book building process in respect of the Placing (the "Bookbuild")

The Placing Shares will, when issued, be subject to the articles of incorporation of the Company, be credited as fully paid and will rank *pari passu* in all respects with each other and with the existing Common Shares in the Company, including the right to receive all dividends and other distributions declared, made or paid in respect of the Common Shares after the date of issue of the Placing Shares. The Placing Shares will be issued free of any encumbrance, lien, claim, charge, equity and third-party right.

### **Application for Admission**

Application will be made to the TSX and the London Stock Exchange for the Placing Shares to be admitted to trading on the TSX and AIM ("Admission"). It is expected that Admission will become effective and that dealings in the Placing Shares will commence on 26 February 2020. In any event, the latest date for Admission is 31 March 2020 (or such later date as Shore Capital and the Company may agree in writing) (the "Long Stop Date").

### **Principal terms of the Placing**

This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Placing.

Participation in, and principal terms of, the Placing are as follows:

1. Shore Capital is acting as agent of the Company in connection with the Placing on the terms and subject to the conditions of the Placing Agreement.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited by Shore Capital to participate. Shore Capital and any of its affiliates are entitled to participate in the Placing as principal.
3. To bid in the Bookbuild, Placees should communicate their bid by telephone to their usual sales contact at Shore Capital. Each bid should state the number of Placing Shares which the prospective Placee wishes to subscribe for at the Placing Price. Bids may be scaled down by Shore Capital on the basis referred to in paragraph 5 below.
4. The price per Placing Share (the "Placing Price") is a minimum price of 38 pence and is payable to Shore Capital (as agent for the Company) by all Placees.
5. The Bookbuild closing time is at the discretion of Shore Capital and the Bookbuild is expected to close in short order. Shore Capital may, in agreement with the Company, accept bids received after the Bookbuild has closed. Shore Capital may choose to accept bids, either in whole or in part, on the basis of allocations determined at their discretion (in agreement with the Company) and may scale down any bids for this purpose on such basis as it may determine.
6. The final number of Placing Shares to be issued in the Placing will be determined following conclusion of the Bookbuild and will be communicated through a further announcement by or on behalf of the Company through a Regulatory Information Service.



7. The Company and Shore Capital reserve the right: (i) to scale back the number of Placing Shares to be subscribed for by any Placee in the event of the Placing being over-subscribed; and (ii) not to accept offers for Placing Shares or to accept such offers in part rather than in full. The Company reserves the right to reduce the amount to be raised pursuant to the Placing, in agreement with Shore Capital.
8. Each Placee's allocations of Placing Shares will be determined by Shore Capital in accordance with the principles of allocation discussed between Shore Capital and the Company and will be confirmed orally by Shore Capital, and each Placee's allocation and commitment will be evidenced by a contract note issued to such Placee by Shore Capital, the form of which will be dispatched to each Placee as soon as possible after its allocation of Placing Shares has been confirmed orally to it by Shore Capital. The terms of this Appendix will be deemed incorporated in that contract note.
9. Shore Capital's oral confirmation of an allocation of Placing Shares will give rise to an irrevocable, legally binding commitment by that person (who at that point becomes a Placee), in favour of Shore Capital and the Company, under which it agrees to acquire the number of Placing Shares allocated to it on the terms and subject to the conditions set out in this Appendix and in accordance with the Company's articles of incorporation. Except with Shore Capital's consent, such commitment will not be capable of variation or revocation.
10. Each Placee's allocation and commitment to subscribe for Placing Shares will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and except with Shore Capital's consent will not be capable of variation or revocation after the time at which it is submitted.
11. Each Placee will have an immediate, separate, irrevocable and binding obligation, owed to Shore Capital, as agent for the Company, to pay to it (or as it may direct) in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares such Placee has agreed to acquire and the Company has agreed to allot and issue to that Placee.
12. Except as required by law or regulation, no press release or other announcement will be made by Shore Capital or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
13. Irrespective of the time at which a Placee's allocation(s) pursuant to the Placing is/are confirmed, settlement for all Placing Shares to be acquired pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".
14. All obligations under the Placing will be subject to fulfilment of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
15. By participating in the Placing, each Placee agrees that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
16. To the fullest extent permissible by law and the applicable rules of the Financial Conduct Authority, neither: (a) Shore Capital, nor (b) the Company nor (c) any of their affiliates, agents, directors, officers, consultants or employees nor (d) to the extent not contained within (a) or (b), any person connected with Shore Capital or the Company as defined in the Financial Services and Markets Act 2000 ((b) and (c) being together "Affiliates" and individually an "Affiliate") shall have any liability (including to the extent permissible by law, any fiduciary duties) to Placees or to any other person whether acting on behalf of a Placee or otherwise. In particular, neither Shore Capital nor the Company nor any of their Affiliates shall have any liability (including, to the extent permissible by law, any fiduciary duties) in respect of Shore Capital's conduct of the Placing or of such alternative method of effecting the Placing as Shore Capital and the Company may agree. Nothing in this Appendix shall be effective to limit or exclude any liability for fraud or which, by law or regulation, cannot otherwise be so limited or excluded.

## Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms.

The obligations of Shore Capital under the Placing Agreement are conditional, *inter alia*, on:

1. the warranties on the part of the Company contained in the Placing Agreement being true and accurate on and as of the date of the Placing Agreement and on Admission;
2. the fulfilment by the Company in all material respects of its obligations under the Placing Agreement to the extent that such obligations fall to be performed prior to Admission;
3. the Company delivering, by no later than 5.00 p.m. on the dealing day immediately prior to the expected date of Admission (but dated the day of such Admission), to Shore Capital a certificate confirming, *inter alia*, that none of the warranties given by the Company in the Placing Agreement was untrue, inaccurate or misleading in any material respect when made or would cease to be true and accurate or would become misleading in any material respect were it to be repeated by reference to the facts and circumstances subsisting as at immediately prior to such Admission;
4. receipt of the conditional acceptance of the Toronto Stock Exchange of the Placing in accordance with Part VI of the TSX Company Manual subject to the fulfilment of certain requirements of the Toronto Stock Exchange;
5. the obligations of Shore Capital not having been terminated pursuant to the Placing Agreement and the Placing Agreement otherwise becoming unconditional; and
6. Admission occurring not later than 8.00 a.m. on or around 26 February 2020 or such later time as Shore Capital may agree in writing with the Company (or such later date as the Company and Shore Capital may agree, in any event being no later than the Long Stop Date).

If (a) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or to the extent permitted under the Placing Agreement, waived by Shore Capital) by the relevant time or date specified in the Placing Agreement (or such later time or date as Shore Capital may notify to the Company), or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and each Placee's rights and obligations hereunder shall cease and terminate at such time and each Placee agrees that no claim may be made by or on behalf of a Placee (or any person on whose behalf the Placee is acting) in respect thereof. Neither Shore Capital, the Company nor any of their respective Affiliates shall have any liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement or in respect of the Placing generally. Placees will have no rights against Shore Capital, the Company or any of their respective members, directors or employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999 (as amended) or otherwise.

Shore Capital may waive compliance by the Company with certain of the Company's obligations in relation to the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

By participating in the Placing, each Placee agrees that its rights and obligations hereunder terminate only in the circumstances described below under "Right to terminate under the Placing Agreement" and will not be capable of rescission or termination by the Placee.

No commissions will be paid to Placees or by Placees in respect of any Placing Shares.

## **Right to terminate under the Placing Agreement**

Shore Capital may, at any time before Admission, terminate its obligations under the Placing Agreement by giving notice to the Company in certain circumstances, including if it becomes aware that, *inter alia*:

1. any of the warranties in the Placing Agreement was untrue, inaccurate or misleading, in each case, when given on the date of the Placing Agreement and/or that any of the warranties has ceased or is likely at Admission to be untrue, inaccurate or misleading;
2. any statement contained in this Announcement, or certain of the other documents delivered in relation to the Placing, is or has become untrue, incorrect or misleading in each case in any material respect;
3. the Company has failed in any material respect to comply with its obligations under the Placing Agreement, MAR, FSMA, the AIM Rules, or the AIM Mining, Oil & Gas Companies Note in respect of the Placing or Admission and which is material in the context of the Placing and/or Admission;
4. a material adverse change in the financial position or prospects of the Group (taken as a whole) has occurred or appears likely to occur; or
5. any one of a number of *force majeure* events specified in the Placing Agreement occurs,

and such events would in the reasonable opinion of Shore Capital be likely to materially prejudice the outcome of the Placing, and that it is, as a result of such matter, inappropriate to proceed with the Placing.

By participating in the Placing, each Placee agrees with Shore Capital that the exercise by Shore Capital of any right of termination or any other right or other discretion under the Placing Agreement shall be within the absolute discretion of Shore Capital and that Shore Capital need not make any reference to the Placees in this regard and that, to the fullest extent permitted by law, Shore Capital shall not have any liability whatsoever to the Placees in connection with any such exercise.

## **No Admission Document or Prospectus**

The Placing Shares are being offered to a limited number of specifically invited persons only and have not been nor will be offered in such a way as to require the publication of an admission document or prospectus in the United Kingdom or any equivalent document in any other jurisdiction. No offering document, admission document or prospectus has been or will be submitted to be approved by the Financial Conduct Authority or the London Stock Exchange in relation to the Placing and no such offering document, admission document or prospectus is required to be published and Placees' commitments will be made solely on the basis of the information contained in this Announcement and any information previously published by or on behalf of the Company by notification to a Regulatory Information Service ("Publicly Available Information") (save that in the case of Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph). Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement is exclusively the responsibility of the Company and confirms to Shore Capital and the Company that it has neither received nor relied on any other information (other than the Publicly Available Information), representation, warranty or statement made by or on behalf of the Company or Shore Capital (other than the amount of the relevant Placing participation in the oral confirmation given to Placees and the trade confirmation referred to below), any of their Affiliates or any persons acting on their behalf and neither Shore Capital nor the Company nor any of their Affiliates nor any persons acting on their behalf will be liable for the decision of any Placee to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received (regardless of whether or not such information, representation, warranty or statement was given or made by or on behalf of any such persons), and if given or made, such information, representation, warranty or statement must not be relied upon as having been authorised by Shore Capital, the Company or their respective officers, directors, employees or agents.

By participating in the Placing, each Placee acknowledges to and agrees with Shore Capital for itself and as agent for the Company that, except in relation to the information contained in this Announcement, it has relied on its own investigation of the business, financial or other position of the Company in deciding to participate in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation. Neither the Company nor Shore Capital are making any undertaking or warranty to any Placee regarding the legality of an investment in the Placing Shares by such Placee under any legal, investment or similar laws or regulations. Each Placee should not consider any information in this Announcement to be legal, tax or business advice. Each Placee should consult its own solicitor, tax adviser and financial adviser for independent legal, tax and financial advice regarding an investment in the Placing Shares.

### **Registration and settlement**

Settlement of transactions in the Placing Shares (ISIN: CA89156L1085) following Admission will take place within the system administered by Euroclear UK & Ireland ("CREST"), subject to certain exceptions. Shore Capital reserves the right to require settlement for and delivery of the Placing Shares to Placees by such other means that they deem necessary, if delivery or settlement is not possible or practicable within the CREST system within the timetable set out in this Announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction. Each Placee will be deemed to agree that it will do all things necessary to ensure that delivery and payment is completed as directed by Shore Capital in accordance with the standing CREST settlement instructions which they have in place with Shore Capital.

In order to enable investors to settle their securities through CREST, Touchstone has appointed Computershare Investor Services PLC to act as a depositary (the "Depositary") to hold the Common Shares and issue dematerialised depositary interests representing the underlying Common Shares ("Depositary Interests"). The Depositary will hold the Common Shares on trust for the relevant shareholders and this trust relationship is documented in a deed poll executed by the Depositary prior to Admission on 5 June 2017 (the "Deed Poll"). The Deed Poll set(s) out the procedure for holders of Depositary Interests to vote at general meetings of Touchstone and to exercise other procedural shareholder rights, which will be transferred to the Depositary with the Common Shares.

The Depositary Interests will be independent English securities and will be held on a register maintained by the Depositary. The Depositary Interests will have the same security code and ISIN number as the underlying Common Shares which they represent and will not require a separate admission to AIM. Each Placee allocated Placing Shares in the Placing will be sent a trade confirmation stating the number of Placing Shares allocated to it, the Placing Price, the aggregate amount owed by such Placee to Shore Capital and settlement instructions.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above the base rate of Barclays Bank Plc.

Each Placee is deemed to agree that if it does not comply with these obligations: (i) the Company may release itself (if it decides in its absolute discretion to do so) and will be released from all obligations it may have to issue any such Placing Shares to such Placee or at its direction which are then unissued; (ii) the Company may exercise all rights of lien, forfeiture and set-off over and in respect of any such Placing Shares to the fullest extent permitted under its articles of incorporation or otherwise by law and to the extent that such Placee then has any interest in or rights in respect of any such Placing Shares; (iii) the Company or Shore Capital may sell (and each of them is irrevocably authorised by such Placee to do so) all or any of such Placing Shares on such Placee's behalf and then retain from the proceeds, for the account and benefit of the Company or, where applicable, Shore Capital: (a) any amount up to the total amount due to it as, or in respect of, subscription monies, or as interest on such monies, for any Placing Shares; (b) any amount required to cover any stamp duty or stamp duty reserve tax (together with any interest or penalties) arising on the sale of such Placing Shares on such Placee's behalf; and (c) any amount required to cover dealing costs and/or commissions necessarily or reasonably incurred by it in respect of such sale; and (iv) such Placee shall remain liable to the Company and to Shore Capital (as applicable) for the full amount of any losses and of any costs which it may suffer or incur as a result of it: (a) not receiving payment in full for

such Placing Shares by the required time; and/or (b) the sale of any such Placing Shares to any other person at whatever price and on whatever terms are actually obtained for such sale by or for it. By communicating a bid for Placing Shares, each Placee confers on Shore Capital and the Company such authorities and powers necessary to carry out any such sale and agrees to ratify and confirm all actions which Shore Capital and/or the Company lawfully takes in pursuance of such sale. Legal and/or beneficial title in and to any Placing Shares shall not pass to the relevant Placee until it has fully complied with its obligations hereunder

If Placing Shares are to be delivered to a custodian or settlement agent, the Placee should ensure that the trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in the Placee's name or that of its nominee or in the name of any person for whom the Placee is contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to stamp duty or stamp duty reserve tax. If there are any circumstances in which any other stamp duty or stamp duty reserve tax is payable in respect of the issue of the Placing Shares, neither Shore Capital nor the Company shall be responsible for the payment thereof. Placees will not be entitled to receive any fee or commission in connection with the Placing.

### **Resale Restrictions**

The certificates representing the Placing Shares or the ownership statement issued under a direct registration system or other electronic book-entry system shall bear a restrictive legend in the following form (and with the necessary information inserted) in accordance with applicable Canadian securities laws and the policies of the TSX indicating that the resale of such securities is restricted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY IN THE PROVINCE OF ALBERTA BEFORE 27 JUNE 2020."

"The securities represented by this certificate are listed on the Toronto Stock Exchange ("TSX"); however, the said securities cannot be traded through the facilities of TSX since they are not freely transferable, and consequently any certificate representing such securities is not "good delivery" in settlement of transactions on TSX."

### **Representations and warranties**

By participating in the Placing, each Placee (and any person acting on such Placee's behalf):

1. represents and warrants that it has read and understood this Announcement in its entirety (including this Appendix) and acknowledges that its participation in the Placing will be governed by the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings as referred to and included in this Announcement (including this Appendix) and undertakes not to redistribute or duplicate this Announcement;
2. acknowledges that no prospectus, admission document or offering document has been or will be prepared in connection with the Placing and that it has not received and will not receive a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares;
3. agrees to indemnify on an after-tax basis and hold harmless each of the Company, Shore Capital, their respective Affiliates and any person acting on their behalf from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations, warranties, acknowledgements, agreements and undertakings in this Announcement and further agrees that the provisions of this Announcement shall survive after completion of the Placing;

4. acknowledges that the Placing Shares will be admitted to trading on AIM, and the Company is therefore required to publish certain business and financial information in accordance with the AIM Rules for Companies, which includes a description of the nature of the Company's business and the Company's most recent balance sheet and profit and loss account and the Company's announcements and circulars published in the past 12 months and the Company's admission document (collectively, the "Exchange Information"), and that it is able to obtain or access such information without undue difficulty and has read and understood the Exchange Information;
5. acknowledges that its obligations are irrevocable and legally binding and shall not be capable of rescission or termination by it in any circumstances;
6. agrees that it has no rights against Shore Capital or the Company, or any of their respective officers, directors or employees, under the Placing Agreement pursuant to the Contracts (Rights of Third Parties Act) 1999;
7. acknowledges that neither Shore Capital nor any of its Affiliates nor any person acting on their behalf has provided, and will not provide it with, any material or information regarding the Placing Shares or the Company; nor has it requested that Shore Capital or any of its Affiliates or any person acting on their behalf to provide it with any such material or information;
8. acknowledges that the content of this Announcement is exclusively the responsibility of the Company and that neither Shore Capital nor any of its Affiliates nor any person acting on their behalf will be responsible for or shall have any liability for any information, representation or statement relating to the Company contained in this Announcement or any information previously published by or on behalf of the Company and neither Shore Capital nor any of its Affiliates nor any person acting on their behalf will be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or otherwise;
9. represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing to subscribe for the Placing Shares is the information contained in this Announcement and any Exchange Information and any Publicly Available Information (save that in the case of Exchange Information and Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph), such information being all that it deems necessary to make an investment decision in respect of the Placing Shares and that it has made its own assessment of, and has not relied on any other information given, or representation or statement made at any time, by any person concerning the Company, the Placing Shares or the Placing. It agrees that neither the Company nor Shore Capital, nor any of their respective officers, agents, employees or affiliates will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation and has relied on its own investigation with respect to, the Placing Shares, the Placing and the Company in connection with its decision to subscribe for the Placing Shares;
10. acknowledges that it is not relying on any investigation that Shore Capital, any of its Affiliates or any person acting on their behalf may have conducted with respect to the Placing Shares or the Company and no person is authorised in connection with the Placing to give any information or make any representation to it, express or implied, with respect thereto other than as contained in this Announcement and, if given or made, any information or representation must not be relied upon as having been authorised by Shore Capital or the Company;
11. represents and warrants that it has knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of subscribing for the Placing Shares. It further represents and warrants that it is experienced in investing in securities of this nature and is aware that it may be required to bear, and is able to bear, the economic risk of, and is able to sustain, a complete loss in connection with the Placing. It also represents and warrants that it has had sufficient time to consider and has conducted its own investigation with respect to the offer and subscription for

the Placing Shares, including the tax, legal and other economic considerations and has relied upon its own examination and due diligence of the Company and its affiliates taken as a whole, and the terms of the Placing, including the merits and risks involved;

12. represents and warrants that it has neither received nor relied on any confidential price sensitive information concerning the Company in making its investment decision to participate in the Placing and is not purchasing the Placing Shares on the basis of material non-public information or inside information (as defined under the Market Abuse Regulation (EU 596/2014) ("MAR"));
13. agrees that these terms and conditions represent the whole and only agreement between it, Shore Capital and the Company in relation to its participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, each Placee, in accepting its participation in the Placing, acknowledges that it has not relied on any information relating to the Company, other than as contained in this Announcement, the Exchange Information and Publicly Available Information (save that in the case of Exchange Information and Publicly Available Information, a Placee's right to rely on that information is limited to the right that such Placee would have as a matter of law in the absence of this paragraph), including that which is contained in any research reports prepared by Shore Capital, any of its Affiliates or any person acting on their behalf and understands that (i) neither Shore Capital, nor any of its Affiliates nor any person acting on their behalf has or shall have any liability for public information or any representation; (ii) neither Shore Capital nor the Company, nor any of their Affiliates, nor any person acting on their behalf has or shall have any liability for any additional information that has otherwise been made available to such Placee, whether at the date of publication, the date of this Announcement or otherwise; and that (iii) neither Shore Capital nor the Company, nor any of their Affiliates, nor any person acting on their behalf makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of such information, whether at the date of publication, the date of this Announcement or otherwise;
14. represents and warrants that (i) it is entitled to acquire the Placing Shares under the laws and regulations of all relevant jurisdictions which apply to it; (ii) it has fully observed such laws and regulations and obtained all such governmental and other guarantees and other consents and authorities which may be required thereunder and complied with all necessary formalities; (iii) it has all necessary capacity and authority, and is entitled, to commit to participation in the Placing and to perform its obligations in relation thereto and will honour such obligations, and to make the representations and agreements contained on this Appendix; (iv) it has paid any issue, transfer or other taxes due in connection with its participation in the Placing in any territory; and (v) it has not taken any action which will or may result in the Company, Shore Capital, any of their respective Affiliates or any person acting on their behalf being in breach of the legal and/or regulatory requirements of any territory in connection with the Placing;
15. represents and warrants that it understands that: (i) the Placing Shares have not been and will not be registered under the US Securities Act or with any state or other jurisdiction of the United States, nor approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority; and (ii) it will not offer, sell or deliver, directly or indirectly, any Placing Shares in or into the United States other than pursuant to an effective registration under the US Securities Act or in a transaction exempt from, or not subject to, the registration requirements thereunder and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and may only be acquired in "offshore transactions" as defined in and pursuant to Regulation S under the US Securities Act or in transactions exempt from or not subject to the registration requirements of the US Securities Act;
16. represents and warrants that its acquisition of the Placing Shares has been or will be made in an "offshore transaction" as defined in and pursuant to Regulation S under the US Securities Act;
17. represents and warrants that it will not offer or sell, directly or indirectly, any of the Placing Shares in the United States except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;

18. represents and warrants that it will observe the resale restrictions set out in further detail in the section entitled 'Resale Restrictions' above in this Appendix;
19. represents and warrants that it is subscribing for the Placing Shares for investment purposes, and not with a view to offer, resell, or distribute within the meaning of US securities law;
20. represents and warrants that it understands that the Company is relying on an exemption from the requirements to provide it with a prospectus and to sell the Placing Shares through a person or company registered to sell securities under the Securities Act, RSA 2000. C S-4 (the "Alberta Securities Act") and, as a consequence of acquiring Placing Shares pursuant to this exemption, certain protections, rights and remedies provided under the Alberta Securities Act, including statutory rights of rescission or damages, will not be available to it;
21. represents and warrants that, if it is a financial intermediary, as that term is used in Article 5(2) of the Prospectus Regulation, the Placing Shares purchased by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in a member state of the European Economic Area and the United Kingdom, other than to "qualified investors" as defined in Article 2(e) of the Prospectus Regulation, or in circumstances in which the prior consent of Shore Capital has been given to the offer or resale;
22. represents and warrants that it has not offered or sold and will not offer or sell any Placing Shares to the public in the United Kingdom or any member state of the European Economic Area except in circumstances falling within Article 1(4) of the Prospectus Regulation which do not result in any requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation;
23. represents and warrants that it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which it is permitted to do so pursuant to section 21 of FSMA and it acknowledges and agrees that this Announcement has not been approved by Shore Capital in its capacity as authorised persons under section 21 of FSMA and it may not therefore be subject to the controls which would apply if it was made or approved as financial promotion by an authorised person;
24. represents and warrants that it is aware of and has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Placing Shares in, from, or otherwise involving the United Kingdom;
25. represents and warrants that it is aware of and has complied with its obligations in connection with money laundering and terrorist financing under the Criminal Justice Act 1993, MAR, the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000, the Terrorism Act 2006, the Anti-terrorism Crime and Security Act 2001, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) and related or similar rules, regulations or guidelines, issued, administered or enforced by any government agency having jurisdiction in respect thereof (the "Regulations") and the Money Laundering Sourcebook of the FCA and, if it is making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
26. if in the United Kingdom, represents and warrants that it is a person falling within (a) Article 19(5) of the Order or (b) a person falling within Article 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and dispose of any Placing Shares that are allocated to it for the purposes of its business;
27. if in the United Kingdom, represents and warrants that it is a qualified investor as defined in Article 2(e) of the Prospectus Regulation, acting as principal or in circumstances to which section 86(2) of FSMA applies;



28. represents and warrants that its participation in the Placing is not being made pursuant to an agreement or understanding (whether formal or informal) with another person or persons or to obtain or consolidate control of the Company (as further defined in the City Code on Takeovers and Mergers);
29. undertakes that it (and any person acting on its behalf) will pay for the Placing Shares acquired by it in accordance with this Announcement on the due time and date set out in this Announcement or any trade confirmation issued pursuant to this Announcement against delivery of such Placing Shares to it, failing which the relevant Placing Shares may be placed with other Placees or sold as either Shore Capital or the Company may, in their absolute discretion, determine and it will remain liable for any shortfall below the net proceeds of such sale and the placing proceeds of such Placing Shares and may be required to bear any costs, commissions, stamp duty or stamp duty reserve tax (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
30. if it has received any confidential price sensitive information about the Company in advance of the Placing (including inside information as defined under MAR), it warrants that it has received such information within the marketing soundings regime provided for in article 11 of MAR and associated delegated regulations and has not: (a) dealt in the securities of the Company; (b) encouraged or required another person to deal in the securities of the Company; or (c) disclosed such information to any person, prior to the information being made publicly available;
31. acknowledges that neither Shore Capital nor the Company, nor any of their Affiliates nor any person acting on their behalf is making any recommendations to it or advising it regarding the suitability or merits of any transaction it may enter into in connection with the Placing, and acknowledges that neither Shore Capital nor the Company, nor any of their Affiliates nor any person acting on their behalf has any duties or responsibilities to it for providing advice in relation to the Placing or in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement or for the exercise or performance of any of Shore Capital's or the Company's rights and obligations thereunder, including any right to waive or vary any condition or exercise any termination right contained therein;
32. undertakes that (i) the person whom it specifies for registration as holder of the Placing Shares will be (a) the Placee or (b) the Placee's nominee, as the case may be, (ii) neither Shore Capital nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement and (iii) the Placee and any person acting on its behalf agrees to acquire the Placing Shares on the basis that the Placing Shares will be issued to the CREST stock account of Shore Capital which will hold them as settlement agent as nominee for the Placee until settlement in accordance with its standing settlement instructions with payment for the Placing Shares being made simultaneously upon receipt of the Placing Shares in the Placee's stock account on a delivery versus payment basis;
33. acknowledges that any agreements entered into by it pursuant to these terms and conditions, and any non-contractual obligations arising out of or in connection with such agreements, shall be governed by and construed in accordance with the laws of England and Wales and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter arising out of any such contract;
34. acknowledges that it irrevocably appoints any director of Shore Capital as its agent for the purposes of executing and delivering to the Company and/or its registrars any documents on its behalf necessary to enable it to be registered as the holder of any of the Placing Shares agreed to be taken up by it under the Placing;
35. represents and warrants that (unless otherwise agreed with Shore Capital) it is not, and any person who it is acting on behalf of is not, and at the time the Placing Shares are subscribed will not be, a resident of any Restricted Jurisdiction and acknowledges and agrees that the Placing Shares have not been and will not be registered nor will a prospectus be cleared in respect of the Placing Shares under

the securities legislation of any Restricted Jurisdiction and, subject to certain exceptions, the Placing Shares may not be offered, sold, taken up, renounced, delivered or transferred, directly or indirectly, within any Restricted Jurisdiction;

36. represents and warrants that any person who confirms to Shore Capital on behalf of a Placee an agreement to subscribe for Placing Shares and/or who authorises Shore Capital to notify the Placee's name to the Company's registrar, has authority to do so on behalf of the Placee;
37. acknowledges that the agreement to settle each Placee's allocation of Placing Shares (and/or the allocation of a person for whom it is contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by it and/or such person direct from the Company of the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor Shore Capital will be responsible. If this is the case, the Placee should take its own advice and notify Shore Capital accordingly;
38. represents and warrants that it, or the person specified by it for registration as a holder of the Placing Shares, will be liable for any stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines or penalties relating thereto), if any, payable on acquisition of any of the Placing Shares or the agreement to subscribe for the Placing Shares and acknowledges and agrees that none of Shore Capital, the Company, any of their respective Affiliates or any person acting on behalf of them will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to participate in the Placing, and agrees to indemnify the Company and Shore Capital on an after tax basis in respect of the same, on the basis that the Placing Shares will be allotted to the CREST stock account of Shore Capital who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
39. represents and warrants that it will not make any offer to the public of those Placing Shares to be subscribed for and/or purchased by it for the purposes of the Prospectus Regulation Rules made by the FCA pursuant to Prospectus Regulation Rules Instrument 2019 (FCA 2019/80);
40. represents and warrants it will not distribute any document relating to the Placing Shares and it will be acquiring the Placing Shares for its own account as principal or for a discretionary account or accounts (as to which it has the authority to make the statements set out herein) for investment purposes only and it does not have any contract, understanding or arrangement with any person to sell, pledge, transfer or grant a participation therein to such person or any third person with respect of any Placing Shares; save that if it is a private client stockbroker or fund manager it confirms that in purchasing the Placing Shares it is acting under the terms of one or more discretionary mandates granted to it by private clients and it is not acting on an execution only basis or under specific instructions to purchase the Placing Shares for the account of any third party;
41. acknowledges that the Placing Shares will be issued subject to the terms and conditions set out in this Announcement (including this Appendix);
42. acknowledges that when a Placee or any person acting on behalf of the Placee is dealing with Shore Capital, any money held in an account with Shore Capital on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the relevant rules and regulations of the FCA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from Shore Capital's money in accordance with the client money rules and will be used by Shore Capital in the course of its business; and the Placee will rank only as a general creditor of Shore Capital (as the case may be);

43. acknowledges and understands that the Company, Shore Capital and others will rely upon the truth and accuracy of the foregoing representations, warranties, agreements, undertakings and acknowledgements;
44. acknowledges that no prospectus, admission document or other offering document has been or will be prepared in connection with the Placing and it has not received and will not receive a prospectus, admission document or other offering document in connection with the Placing or the Placing Shares;
45. acknowledges that time is of the essence as regard its obligations in respect of its participation in the Placing under these terms and conditions;
46. acknowledges that the basis of allocation will be determined by Shore Capital at its absolute discretion in consultation with the Company. The right is reserved to reject in whole or in part and/or scale back any participation in the Placing;
47. irrevocably authorises the Company and Shore Capital to produce this Announcement pursuant to, in connection with, or as maybe required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth in this Announcement; and
48. acknowledges that its commitment to subscribe for Placing Shares on the terms set out in this Announcement will continue notwithstanding any amendment that may in future be made to the terms of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's conduct of the Placing.

The acknowledgements, agreements, undertakings, representations and warranties referred to above are given to each of the Company and Shore Capital (for their own benefit and, where relevant, the benefit of their respective Affiliates and any person acting on their behalf) and are irrevocable. The provisions of this Appendix may be waived, varied or modified as regards specific Placees or on a general basis by Shore Capital and/or the Company.

No claim shall be made against the Company, Shore Capital, their respective Affiliates or any other person acting on behalf of any of such persons by a Placee to recover any damage, cost, charge or expense which it may suffer or incur by reason of or arising from the carrying out by it of the work to be done by it pursuant to this Announcement or the performance of its obligations pursuant to this Announcement or otherwise in connection with the Placing.

No UK stamp duty or stamp duty reserve tax should be payable to the extent that the Placing Shares are issued or transferred (as the case may be) into CREST to, or to the nominee of, a Placee who holds those shares beneficially (and not as agent or nominee for any other person) within the CREST system and registered in the name of such Placee or such Placee's nominee.

Any arrangements to issue or transfer the Placing Shares into a depositary receipts system or a clearance service or to hold the Placing Shares as agent or nominee of a person to whom a depositary receipt may be issued or who will hold the Placing Shares in a clearance service, or any arrangements subsequently to transfer the Placing Shares, may give rise to stamp duty and/or stamp duty reserve tax, for which neither the Company nor Shore Capital will be responsible and the Placee to whom (or on behalf of whom, or in respect of the person for whom it is participating in the Placing as an agent or nominee) the allocation, allotment, issue or delivery of Placing Shares has given rise to such stamp duty or stamp duty reserve tax undertakes to pay such stamp duty or stamp duty reserve tax forthwith and to indemnify on an after-tax basis and to hold harmless the Company and Shore Capital in the event that the Company or Shore Capital incurs any such liability to stamp duty or stamp duty reserve tax.

In addition, Placees should note that they will be liable for any capital duty, stamp duty and all other stamp, issue, securities, transfer, registration, documentary or other duties or taxes (including any interest, fines

or penalties relating thereto) payable outside the UK by them or any other person on the acquisition by them of any Placing Shares or the agreement by them to acquire any Placing Shares.

All times and dates in this Announcement may be subject to amendment. Shore Capital will notify the Placees and any person acting on behalf of the Placees of any such changes.

This Announcement has been issued by the Company and is the sole responsibility of the Company. Each Placee, and any person acting on behalf of the Placee, acknowledges that Shore Capital does not owe any fiduciary or other duties to any Placee in respect of any representations, warranties, undertakings or indemnities in the Placing Agreement. Each Placee and any person acting on behalf of the Placee acknowledges and agrees that Shore Capital or any of its Affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares.

The rights and remedies of Shore Capital and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

Each Placee may be asked to disclose in writing or orally to Shore Capital:

- (a) if he is an individual, his nationality; or
- (b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.