



FIDDLEHEAD

FIDDLEHEAD RESOURCES CORP.

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2025**

DATED APRIL 30, 2026

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CERTAIN DEFINITIONS

Terms used in this Annual Information Form and not otherwise defined have the meanings set forth below:

Selected Defined Terms

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

“**Acquisition**” means the acquisition by the Company of the Assets from the Vendor pursuant to the Acquisition Agreement, as more particularly described under “*General Development of the Business — Three Year History*”;

“**Acquisition Agreement**” means the asset sale agreement dated May 29, 2024 between the Company and the Vendor;

“**Acquisition Amending Agreement**” means the amendment to the Acquisition Agreement dated August 29, 2024;

“**AER**” means the Alberta Energy Regulator;

“**Annual Information Form**” means this Annual Information Form;

“**Assets**” has the meaning ascribed thereto under “*Fiddlehead Assets*”;

“**Base Shelf Prospectus Securities**” means, collectively, (i) Common Shares; (ii) preferred shares of the Company; (iii) debt securities, (iv) subscription receipts of the Company; (v) warrants; (vi) share purchase contracts of the Company; or (vii) units comprising any combination of the foregoing;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;

“**Board**” means the board of directors of Fiddlehead;

“**Broker Warrants**” means broker warrants of Fiddlehead, each exercisable to acquire one Fiddlehead Unit at the price of \$0.20 per Fiddlehead Unit for a period of 60 months from the date of satisfaction of the Escrow Release Conditions;

“**Capital Pool Company**” or “**CPC**” means a company:

- (a) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with Policy 2.4; and
- (b) in regard to which a final bulletin has not yet been issued by the TSX Venture Exchange;

“**CEO**” means Chief Executive Officer;

“**CFO**” means Chief Financial Officer;

“**Circular**” means the management information circular of the Company dated June 28, 2024, together with all schedules, appendices and exhibits thereto, prepared in connection with the Meeting;

“**Closing**” means the closing of the Acquisition pursuant to the terms of the Acquisition Agreement;

“**COGE Handbook**” means the Canadian Oil and Gas Evaluation Handbook;

“**Common Shares**” means common voting shares in the capital of Fiddlehead;

“**Company**” or “**Fiddlehead**” means Fiddlehead Resources Corp.;

“**Consolidation**” has the meaning ascribed thereto under “*Corporate Structure – Name, Address and Incorporation*”;

“**Credit Facility Agreement**” has the meaning ascribed there to under “*Description of the Business – Three Year History*”;

“**Distribution**” has the meaning ascribed thereto under “*Corporate Structure – Name, Address and Incorporation*”;

“**Escrow Release Conditions**” means, collectively, the following conditions:

- (i) the completion, satisfaction or waiver of all conditions precedent to the Acquisition in accordance with the Acquisition Agreement, to the satisfaction of the Underwriter, including the closing of the Facility to fund the Acquisition;
- (ii) the completion of the Consolidation;
- (iii) the receipt of all required shareholder and regulatory approvals, including, without limitation, the conditional approval of the TSXV for listing of the Common Shares and the Acquisition;
- (iv) the Common Shares and Warrants issued in exchange for the FinanceCo Shares and FinanceCo Warrants not being subject to any statutory or other hold period in Canada;
- (v) the representations and warranties of Fiddlehead and FinanceCo contained in the Underwriting Agreement being true and accurate in all material respects, as if made on and as of the escrow release date; and
- (vi) Fiddlehead, FinanceCo and the Underwriter having delivered a joint notice and direction to the Subscription Receipt Agent, confirming that the conditions set forth in (i) to (v) above have been met or waived;

“**Facility**” means the credit facility entered into on August 28, 2024 between Fiddlehead and a Vancouver-based private merchant bank of up to \$13.0 million dollars, of which \$12,480,000 were used for the Acquisition, bearing interest at the Royal Bank of Canada Prime Rate plus 4.75% with a floor of 11.5% per annum, compounded monthly (effective annual rate of 12.63%), payable monthly on the last business day of each month for the first 12 months of the loan and thereafter at 18% (eighteen percent) per annum, compounded monthly (effective annual rate of 19.56%);

“**Fiddlehead Financing**” means the brokered private placement offering by the Company of 2,600,000 Fiddlehead Subscription Receipts at a price of \$0.20 per Fiddlehead Subscription Receipt for aggregate gross proceeds to the Company of \$520,000 completed on August 23, 2024;

“**Fiddlehead Subscription Receipt Indenture**” means the subscription receipt indenture dated August 23, 2024 among Fiddlehead, the Underwriter and the Subscription Receipt Agent;

“**Fiddlehead Subscription Receipts**” means the subscription receipts issued pursuant to the Fiddlehead Financing and governed by the Fiddlehead Subscription Receipt Indenture, with each of such subscription receipts having been automatically exchanged for one Fiddlehead Unit upon satisfaction of the Escrow Release Conditions on August 29, 2024;

“**Fiddlehead Units**” means the units of the Company, each of which consists of one Common Share and one Warrant;

“**FinanceCo**” means 1487477 B.C. Ltd., a corporation incorporated under the BCBCA;

“**FinanceCo Amalgamation**” means the amalgamation of FinanceCo and SubCo completed prior to the Acquisition;

“**FinanceCo Amalgamation Agreement**” means the amalgamation agreement dated August 23, 2024 among the Company, SubCo and FinanceCo;

“**FinanceCo Broker Warrants**” has the meaning ascribed thereto under “*General Development of the Business – Three Year History*”;

“**FinanceCo Financing**” means the brokered private placement offering by FinanceCo of 48,400,000 FinanceCo Subscription Receipts at a price of \$0.20 per FinanceCo Subscription Receipt for aggregate gross proceeds to FinanceCo of \$9,680,000 completed on August 23, 2024;

“**FinanceCo Shares**” means common shares in the capital of FinanceCo;

“**FinanceCo Subscription Receipt Indenture**” means the subscription receipt indenture dated August 23, 2024 among FinanceCo, Fiddlehead, the Underwriter and the Subscription Receipt Agent;

“**FinanceCo Subscription Receipts**” means the subscription receipts issued pursuant to the FinanceCo Financing and governed by the FinanceCo Subscription Receipt Indenture, with each of such subscription receipts having been automatically exchanged for one FinanceCo Unit upon satisfaction of the Escrow Release Conditions on August 29, 2024;

“**FinanceCo Units**” means the units of FinanceCo, each of which consists of one FinanceCo Share and one FinanceCo Warrant;

“**FinanceCo Warrants**” means the warrants of FinanceCo, each of which is exercisable into one FinanceCo Share at an exercise price of \$0.24 for a period of sixty months following the date of issuance;

“**GAAP**” means generally accepted accounting principles in Canada, which for Canadian reporting issuers is IFRS, as in effect from time to time;

“**GLJ**” means GLJ Ltd., independent qualified petroleum consultants of Calgary, Alberta;

“**GLJ Report**” means the report prepared by GLJ and dated January 27th, 2026 evaluating the light and medium crude oil, heavy oil, tight oil, conventional natural gas, coal bed methane, shale gas, and natural gas liquids reserves attributable to Fiddlehead’s properties at December 31, 2025;

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board;

“**Listing Application**” means the listing application to list the Company’s Common Shares and Warrants on the TSXV filed on August 29, 2024;

“**Meeting**” means the annual general and special meeting of the Shareholders held on July 31, 2024;

“**Named Executive Officers**” or “**NEOs**” means the CEO, CFO, and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum in the relevant fiscal year;

“**NI 41-101**” means National Instrument 41-101 - *General Prospectus Requirements* of the Canadian Securities Administrators;

“**NI 51-101**” means National Instrument 51-101 — *Standard of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators;

“**NI 51-102**” means National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators;

“**NI 58-101**” means National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

“**Odyssey**” means Odyssey Trust Company;

“**Policy 2.4**” means the TSXV Policy 2.4 entitled “*Capital Pool Companies*”;

“**Qualifying Transaction**” means a transaction whereby a CPC acquires “Significant Assets” (as defined in Policy 2.4), other than cash, by way of purchase, amalgamation, merger or arrangement with another Company or by other means;

“**Shareholder**” means a holder of record of one or more Common Shares;

“**SN 51-324**” means Staff Notice 51-324 — *Glossary to 51-101 Standards of Disclosure for Oil and Gas Activities* of the Canadian Securities Administrators, as amended or replaced from time to time;

“**SubCo**” means 1487445 B.C. Ltd., a corporation incorporated under the BCBCA;

“**Subscription Receipt Agent**” means Odyssey Trust Company, as subscription receipt agent under each of the Fiddlehead Subscription Receipt Indenture and FinanceCo Subscription Receipt Indenture;

“**TSXV**” means the TSX Venture Exchange;

“**TWEL**” means the Company’s previously wholly owned subsidiary Total Wonder Enterprises Limited;

“**Underwriter**” means Research Capital Corporation;

“**Underwriting Agreement**” means the underwriting agreement effective May 28, 2024 among the Company, FinanceCo, SubCo and the Underwriter;

“**Vendor**” means the senior Canadian producer from which the Assets were purchased;

“**Warrants**” means the warrants of the Company, each of which is exercisable into one Common Share at an exercise price of \$0.24 for a period of sixty months following the date of issuance.

Interpretation

Except where otherwise indicated, all information in this Annual Information Form is presented as at the end of the Company’s most recently completed financial year, being December 31, 2025.

All dollar amounts set forth in this Annual Information Form are in Canadian dollars unless otherwise indicated. References to “\$”, “CAD” or “C\$” are to Canadian dollars and references to “US\$” and “USD” are to U.S. dollars.

A reference made in this Annual Information Form to other documents or to information or documents available on a website does not constitute the incorporation by reference into this Annual Information Form of such other documents or such other information or documents available on such website, unless otherwise stated.

NON-GAAP AND SPECIFIED FINANCIAL MEASURES

This Annual Information Form refers to certain financial measures that are not determined in accordance with GAAP. Since non-GAAP measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies, securities regulations require that non-GAAP measures are clearly defined, qualified and reconciled to their nearest GAAP measure. Except as otherwise indicated, these non-GAAP measures are calculated and disclosed on a consistent basis from period to period. Specific adjusting items may only be relevant in certain periods.

The intent of non-GAAP measures is to provide additional useful information with respect to Fiddlehead's operational and financial performance to investors and analysts though the measures do not have any standardized meaning under IFRS. The measures should not, therefore, be considered in isolation or used in substitution for measures of performance prepared in accordance with IFRS. Other issuers may calculate these non-GAAP measures differently.

For more information with respect to financial measures which have not been defined by GAAP, including reconciliations to the closest comparable GAAP measure, see the "*Non-GAAP Measures*" section of the Company's management discussion and analysis accompanying its most recent audited annual financial statements which are available on SEDAR+ at www.sedarplus.ca under the Company's profile .

NOTES ON RESERVES DATA AND OTHER OIL AND NATURAL GAS INFORMATION

Selected Oil and Gas Terms

In this Annual Information Form, unless otherwise indicated or the context otherwise requires, the following terms have the meaning set forth below. These definitions are generally as set forth in the COGE Handbook and NI 51-101 and are reproduced below for the convenience of the reader.

The determination of oil, NGLs and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of Proved, Probable and Possible Reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

"Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"Probable" or **"probable"** reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable reserves.

"Proved" or **"proved"** reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved reserves.

"Reserves" or **"reserves"** are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on (a) analysis of drilling, geological, geophysical and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

“Undeveloped” reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

“Development Costs” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil, NGLs and natural gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill, complete and equip Development Wells, development type stratigraphic test wells and Service Wells, including the costs of platforms and well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

“Development Well” means a well drilled inside the established limits of an oil or natural gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“Exploration Costs” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and natural gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment, facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical and other crews conducting those studies (collectively sometimes referred to as “geological and geophysical costs”);
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defense and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling, completing and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

“Exploratory Well” means a well that is not a Development Well, a Service Well or a stratigraphic test well.

“Future Net Revenue” means a forecast of revenue, estimated using forecast prices and costs or constant prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs and abandonment and reclamation costs.

“Gross” means:

- (a) in relation to the company's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the company;
- (b) in relation to wells, the total number of wells in which the company has an interest; and
- (c) in relation to properties, the total area of properties in which the company has an interest.

"Net" means:

- (a) in relation to the company's interest in production or reserves, its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;
- (b) in relation to the company's interest in wells, the number of wells obtained by aggregating the company's working interest in each of its gross wells; and
- (c) in relation to the company's interest in a property, the total area in which the company has an interest multiplied by the working interest owned by the company.

"Service Well" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, saltwater disposal, water supply for injection, observation or injection for combustion.

"Abandonment and Reclamation Costs" represent all costs associated with the process of restoring a company's well sites with booked reserves which have been disturbed by oil and gas activities, existing and to be incurred, to a standard imposed by applicable government or regulatory authorities.

Reserves

The oil and gas reserves estimates contained in this Annual Information Form have been prepared in accordance with the requirements of NI 51-101. See "*Statement of Reserves Data and Other Oil and Gas Information*".

The securities regulatory authorities in Canada have adopted NI 51-101, which prescribes oil and gas disclosure standards for Canadian public issuers engaged in oil and gas activities. The Company is required to disclose reserves in accordance with Canadian securities law requirements, and the disclosure contained in this Annual Information Form include reserves designated as proved and probable reserves.

The determination of oil and natural gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved and probable reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery. The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

The recovery and reserve estimates of oil, natural gas liquids ("NGL") and natural gas reserves contained in this Annual Information Form are estimates only. Actual reserves may be greater than or less than the estimates provided herein. The estimated future net revenue from the production of the disclosed oil, NGL and natural gas reserves does not represent the fair market value of these reserves.

There is no assurance that any forecast prices and costs assumptions in this Annual Information Form will be attained, and variances could be material. The recovery and reserve estimates of reserves and resources provided in this Annual Information Form are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual

reserves may be greater or less than the estimates provided in this Annual Information Form. The estimates of reserves and future net revenue for individual properties in this Annual Information Form may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

For additional information regarding the presentation of the Company's reserves and other oil and gas information see "Statement of Reserves Data and Other Oil and Gas Information".

Note Regarding Drilling Locations

The references to drilling locations that are contained herein have been prepared by qualified reserves evaluators from Fiddlehead as at the date hereof.

Area	Proved Gross (Net)	Probable Gross (Net)	Unbooked (Net)
Alberta	5 (5)	0 (0)	49 (18)

Proved locations and probable locations are derived from the GLJ Report and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based geological mapping and offset information. Unbooked locations do not have attributed reserves or resources. There is no certainty that Fiddlehead will drill any or all booked or unbooked drilling locations and, if drilled, there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which Fiddlehead actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors.

Abbreviations and Conversions

In this Annual Information Form, the following abbreviations and terms have the meanings set forth below:

Oil and Natural Gas Liquids		Natural Gas	
bbl	barrel	Mcf	thousand cubic feet
Mbbl	one thousand barrels	MMcf	million cubic feet
MMbbl	one million barrels	Mscf	thousand standard cubic feet
bbl/d	barrels per day	Bcf	billion cubic feet
bopd	barrels of oil per day	Mcf/d	thousand cubic feet per day
NGL	natural gas liquids	MMcf/d	million cubic feet per day
		MMscf/d	million standard cubic feet per day
		MMBTU	million British Thermal Units
		MMBTU/d	million British Thermal Units per day

Other	
BOE or boe	barrel of oil equivalent is derived by converting natural gas to oil in the ratio of six Mcf of natural gas to one bbl of oil. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.
boe/d	barrels of oil equivalent per day
Mboe	one thousand barrels of oil equivalent
MMboe	one million barrels of oil equivalent
M	thousand
ft	feet
m	metre
m ²	square metre
m ³	cubic metre
km	kilometre
km ²	square kilometres

Other

API	American Petroleum Institute
° API	is a measure of how heavy or light a petroleum liquid is compared to water. If a petroleum liquid's API gravity is greater than 10, it is lighter and floats on water; if less than 10, it is heavier than water and sinks. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids
\$000s or M\$	thousands of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade
/day	per day

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units):

To convert from	To	Multiply by
BOE	Mcf	6.0
Mcf	m ³	28.174
m ³	cubic feet	35.315
bbl	m ³	0.159
m ³	bbl	6.290
ft	metres	0.305
metres	ft	3.281
miles	km	1.609
km	miles	0.621
acres	hectares	0.405
hectares	acres	2.471
tons	tonnes	0.907
ounces	grams	34.286

FORWARD LOOKING STATEMENTS

Certain statements contained in this Annual Information Form, and in certain documents incorporated by reference into this Annual Information Form, constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek,” “anticipate,” “budget,” “plan,” “continue,” “estimate,” “expect,” “forecast,” “may,” “will,” “project,” “predict,” “potential,” “target,” “intend,” “could,” “might,” “should,” “believe,” and similar expressions. In addition, there are forward-looking statements in this Annual Information Form.

All statements other than statements of historical fact contained in this Annual Information Form and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding: our strategies, objectives and goals; future prices and price volatility for oil, natural gas and petroleum products that we produce or plan to produce; demand for and supply of oil, natural gas and petroleum products that we produce or plan to produce; expected receipt of regulatory approvals and the expected timing thereof; expectations regarding our ability to maintain and renew existing licences, permits and leases for our properties; the development of our proved undeveloped oil and gas reserves and probable undeveloped oil and gas reserves; our future development activities, forward contracts and transportation commitments, reclamation and abandonment obligation, tax horizon, exploration and development activities and production estimates; the performance characteristics of our crude oil and natural gas properties; crude oil and natural gas production levels; the size of the crude oil and natural gas reserves, possible failure to realize the anticipated benefits of the Acquisition; unexpected costs or liabilities related to the Acquisition; projections of market prices and costs; expectations regarding the ability to raise capital and to continually add to reserves through acquisitions and development; treatment under governmental regulatory regimes and tax laws; impacts of current commodity prices on the Company, including with respect to abandonment and reclamation obligations; budget expectations; capital expenditure programs; estimates of future production; development of emergency response teams and preparedness plans to effectively respond to environmental incidents; undertaking environmental assessments for new projects or when acquiring new properties or facilities; conducting audits of operations; maintaining documentation to support internal accountability and measuring operational performance;

development of the Company's remaining proved undeveloped reserves and probable undeveloped reserves; funding of development costs of the Company's reserves; future income taxes payable by the Company in the proved producing category; declaration of future cash dividends; production of crude oil, natural gas and NGLs in Canada; lack of regulatory certainty influencing investment decisions for major projects in Canada; the ability for improved access to global markets to alleviate the downward pressures affecting commodity prices; the impact of the Canada-United States-Mexico Agreement on western Canada's crude oil and natural gas industry, including the Company's business; the impact of the lack of available infrastructure for the offshore export of crude oil and natural gas on the ability of Canadian crude oil and natural gas producers to benefit from trade agreements; impacts of current and future changes to environmental legislation; the impact of political, legal and regulatory developments in Canada on the Company's results; the Company's intent to build a growing portfolio of recurring free funds flow that will provide maximum flexibility for growth and/or other strategic merger and acquisition opportunities in a non-dilutive fashion; the Company's anticipations regarding crude oil price volatility; the Company's evaluation of opportunities in the mergers and acquisitions market; and management assessing ways to maximize operating netback. These 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. We believe the expectations reflected in these 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, or incorporated by reference into, this Annual Information Form should not be unduly relied upon. These statements speak only to estimates as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference into this Annual Information Form, as the case may be.

Actual results achieved during the forecast period will vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors. In addition, these risks and uncertainties are material factors affecting the success of our business. Such factors include, but are not limited to: declines in crude oil and natural gas prices; enacted and proposed export and import restrictions, including but not limited to tariffs, export taxes or curtailment on exports; various pipeline constraints; the payment of dividends, if any; variations in interest rates and foreign exchange rates; stock market volatility; impact of public health crises, similar to the COVID-19 pandemic, including weakness and volatility of crude oil and other petroleum products prices from decreased global demand resulting from public health crises; inflation and cost management; uncertainties relating to market valuations; refinancing risk for existing debt and debt service costs; access to external sources of capital; risks associated with our hedging activities; third-party credit risk; risks associated with the exploitation of our properties and our ability to acquire reserves; government regulation, policy and control and changes in governmental legislation; changes in income tax laws, royalty rates and other incentive programs; uncertainties associated with estimating crude oil and natural gas reserves and resources; risks associated with acquiring, developing and exploring for crude oil and natural gas and other aspects of our operations; our reliance on hydraulic fracturing; risks associated with large projects or expansion of our activities; the failure to realize anticipated benefits of acquisitions and dispositions or to manage growth; changes in climate change laws and other environmental regulations; competition in the oil and gas industry for, among other things, acquisitions of reserves, undeveloped lands, skilled personnel and drilling and related equipment; risks of non-cash losses as a result of the application of accounting policies; our operating activities and ability to retain key personnel; depletion of our reserves; risks associated with securing and maintaining title to our properties; risks for United States ("US") and other non-resident Shareholders; risks described in further detail under "*Risk Factors*" herein; and other factors, many of which are beyond our control.

The actual results could differ materially from those results anticipated in these forward-looking statements, which are based on assumptions, including as to the market prices for crude oil and natural gas; the continuation of the present policies of the Board relating to management of Fiddlehead, and the payment of dividends, capital expenditures and other matters; the continued availability of capital and skilled personnel, acquisitions of reserves and undeveloped lands; the continuation of the current tax and regulatory regime and other assumptions contained in this Annual Information Form.

Statements relating to "reserves" and "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future.

The estimates of future production may be considered to be future-oriented financial information or a financial outlook for the purposes of applicable Canadian securities laws. Financial outlook and future-oriented financial information contained in this Annual Information Form about prospective financial performance, financial position or cash flows are based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available, and to become available in the future. In particular, this Annual Information Form contains projected operational information for 2026. These projections contain forward-looking statements and are based on a number of material assumptions and factors. Actual results may differ significantly from the projections presented herein. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results of Fiddlehead's operations for any period could vary from the amounts set forth in these projections, and such variations may be material. See above for a discussion of the risks that could cause actual results to vary. The future-oriented financial information and financial outlooks contained in this Annual Information Form have been approved by management as of the date of this Annual Information Form. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein. Fiddlehead and its management believe that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, Fiddlehead's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

Management of the Company has included the above summary of assumptions and risks related to forward-looking information provided in this Annual Information Form in order to provide Shareholders with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. These forward-looking statements are made as of the date of this Annual Information Form and the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

FIDDLEHEAD RESOURCES CORP.

Fiddlehead was incorporated on June 24, 2011 under the BCBCA and was previously listed on the TSXV as a Capital Pool Company pursuant to Policy 2.4 under the name "Alpha Peak Leisure Inc." and the symbol "AAP.P". Following the completion of the Company's qualifying transaction on June 23, 2015, the Company subsequently became a shell company with no active business after the sale of its wholly owned subsidiary and return of capital during the year ended December 31, 2019. On April 19, 2021, the Company's common shares were voluntarily delisted from trading on the TSXV.

On May 3, 2021 and September 5, 2023, respectively, the Company amended its articles to change its name to "Alpha Peak Capital Inc." and subsequently to "Fiddlehead Resources Corp." In connection with the Acquisition, FinanceCo was amalgamated with another wholly-owned subsidiary of the Company and was subsequently vertically amalgamated with the Company on September 5, 2024. On September 10, 2024, the Company's Common Shares and Warrants were listed on the TSXV under the symbols "FHR" and "FHR.WT", respectively. On September 12, 2024, the Company continued out of the province of British Columbia and into the province of Alberta under the ABCA.

Fiddlehead's head office is located at 1200, 715 – 5th Ave S.W., Calgary, Alberta, Canada, T2P 2X6 and its registered office address is Suite 1000, 250 – 2nd Street SW, Calgary, Alberta, Canada, T2P 0C1.

The Company does not have any material subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Fiddlehead is a Calgary based resources company engaged in the development and production of oil and natural gas in western Canada with operations in the Ferrier Field of Alberta. Currently the Company operates as a junior oil and gas company after entering into the Acquisition Agreement on May 29, 2024 to acquire 124 producing wells, 2 compressor stations and an oil battery. Fiddlehead is focused on developing these assets and growing shareholder value through acquisitions of additional prospective oil and gas properties or other strategic transactions.

Three Year History

The following provides a brief description of the general development of the business of the Company during each of its three most recently completed financial years.

Financial Year Ended December 31, 2023

The Company was pursuing acquisition opportunities in the oil and gas industry.

The Company completed a private placement of 4,848,335 pre-Consolidation Common Shares on September 1, 2023 for aggregate gross proceeds of \$581,800.20. No fees were paid in connection with the private placement.

Financial Year Ended December 31, 2024

On July 31, 2024, the Company completed a share consolidation of one post-consolidation Common Share for every two pre-consolidation Common Shares outstanding (the “**Consolidation**”), which was approved by Shareholders at the Meeting. Prior to completing the Consolidation, the Company had 13,841,757 Common Shares outstanding and following the completion of the Consolidation, the Company had approximately 6,920,881 Common Shares outstanding.

At the Meeting on July 31, 2024, the Company elected Mr. Dale Miller, Mr. David Ritter, Mr. Gregory Turnbull, and Mr. C. Neil Smith to its board of directors to join Mr. Brent Osmond, Chairman of the Board in the event the Company becomes publicly listed on the TSXV. Also at that meeting, the Company elected to file a continuance to continue the Company from British Columbia to Alberta.

On August 23, 2024, FinanceCo completed a brokered financing of 48,400,000 FinanceCo Subscription Receipts at a subscription price of \$0.20 per FinanceCo Subscription Receipt for aggregate gross proceeds of \$9,680,000. In connection with the FinanceCo Financing, the Company paid an aggregate of \$774,400 in cash commissions. After deducting commissions and the expenses of the FinanceCo Financing, the net proceeds of the FinanceCo Financing, which were held in escrow pursuant to the FinanceCo Subscription Receipt Indenture until satisfaction of the Escrow Release Conditions, were \$8,077,942.84. Upon closing of the FinanceCo Financing and Fiddlehead Financing, FinanceCo issued 4,080,000 broker warrants (the “FinanceCo Broker Warrants”) to the Underwriter and certain other brokers involved in the FinanceCo Financing and Fiddlehead Financing.

On August 23, 2024, the Company also completed a concurrent brokered financing of 2,600,000 Fiddlehead Subscription Receipts at a subscription price of \$0.20 for aggregate gross proceeds of \$520,000. In connection with the Fiddlehead Financing, the Company paid an aggregate of \$41,600 in cash commissions. After deducting commissions and the expenses of the Fiddlehead Financing, the net proceeds of the Fiddlehead Financing, which were held in escrow pursuant to the Fiddlehead Subscription Receipt Indenture until satisfaction of the Escrow Release Conditions, were \$478,400.

On August 23, 2024, the Company, FinanceCo and Subco entered into the FinanceCo Amalgamation Agreement, pursuant to which on August 28, 2024, FinanceCo amalgamated with Subco and each FinanceCo Share was exchanged for one Common Share, the FinanceCo Subscription Receipts became convertible into Fiddlehead Units and each FinanceCo Broker Warrant was exchanged for one Broker Warrant. The Amalgamation was effected pursuant to Section 269 of the BCBCA.

On August 28, 2024, the Company entered into the Facility with the Lender for up to \$13.0 million dollars. As consideration for the advance of the Facility, the Company paid a cash bonus of \$520,000 and additionally issued \$520,000 in Fiddlehead Units on the same terms and conditions as the Fiddlehead Financing. The Facility is governed by the terms of the credit facility agreement (“**Credit Facility Agreement**”).

On August 29, 2024, the Escrow Release Conditions for each of the FinanceCo Subscription Receipts and the Fiddlehead Subscription Receipts were satisfied and each of the FinanceCo Subscription Receipts and the Fiddlehead Subscription receipts were automatically converted into an aggregate of 51,000,000 Common Shares and 51,000,000 Warrants in accordance with the terms of the FinanceCo Subscription Receipt Indenture and Fiddlehead Subscription Receipt Indenture, respectively, and the net proceeds of each such financing was released to Fiddlehead. 50% of the cash commission payable to the Underwriter under the FinanceCo Financing and Fiddlehead Financing was paid at closing of the FinanceCo Financing and Fiddlehead Financing, and 50% of the cash commissions were paid upon satisfaction of the Escrow Release Conditions.

On August 29, 2024, the Company completed the Acquisition, using certain of the net proceeds of the FinanceCo Financing, and Fiddlehead Financing and the Facility to fund the purchase price payable on Closing.

On August 29, 2024, the Company filed the Listing Application to list the Company’s Common Shares and Warrants on the TSXV under the symbols “FHR” and “FHR.WT”, respectively.

On September 10, 2024, the Company’s Listing Application was approved and the Common Shares and Warrants were listed on the TSXV.

On September 12, 2024, the Company completed a continuance from the Province of British Columbia under the BCBCA to the Province of Alberta under the ABCA as approved by Shareholders at the Meeting and as described in the Circular. The Company, in connection with the continuance, adopted new articles on September 12, 2024.

On September 27, 2024, the Company appointed PricewaterhouseCoopers LLP, Chartered Professional Accountants, as Auditor of Fiddlehead and accepted the resignation of Fiddlehead’s former auditor, Crowe MacKay LLP, pursuant to the approval of the change of auditor at the Meeting and as described in the Circular.

Financial Year Ended December 31, 2025

On April 10, 2025, the Company announced that it had entered into a share purchase agreement with a privately owned Central Alberta producer to acquire upstream producing and non-producing assets near Cynthia, Alberta for total consideration of \$21,000,000 consisting of \$18,000,000 cash and \$3,000,000 in units of Fiddlehead. Each unit consists of one Common Share valued at a price of \$0.20 per Common Share and one whole share purchase warrant with an exercise price of \$0.24 and a term of 60 months. Concurrently the Company announced that it intended to complete a \$1,000,000 private placement for units on substantially the same terms and a new senior secured term debt facility. This transaction was not completed due to a material change in deal terms by the seller.

On June 26, 2025, the Company announced an amendment and extension of its existing credit agreement with its lender. The credit agreement was amended, effective June 24, 2025, to refinance the outstanding debt of C\$12.6 million, previously set to mature November 30, 2025 for a term of eighteen months, with monthly interest payments and no fixed required amortization or principal repayment. In conjunction with the refinancing, Fiddlehead paid a refinancing fee to its lender totalling C\$200,000 from the issuance of one million shares to the lender valued at C\$0.20 per share.

The Company also reached an agreement with the vendor of the Ferrier/South Strachan Asset, resulting in the elimination of the deferred consideration to the vendor of C\$1.25 million and contingent consideration totalling C\$2.25 million previously announced, due on December 31, 2025 and January 31, 2026, respectively. The elimination of the deferred and contingent consideration represented a significant reduction in current liabilities for the Company.

On Friday, August 1, 2025, the AER transferred the Ferrier well licenses to Fiddlehead. The Company worked with the Vendor and successfully transitioned operatorship of the assets as of August 27, 2025. This long-awaited milestone gives the Company full operational control over its wells and infrastructure, allowing management to execute on cost reduction initiatives and its inventory of well optimization opportunities.

Subsequent to the Financial Year End

On January 3, 2026 the Company announced it will settle outstanding indebtedness of \$242,161.60 through the issuance of 4,843,232 common shares of the Corporation at a deemed price of \$0.05 per common share (the “Debt Settlement”), effective December 31, 2025. The common shares issued in connection with the Debt Settlement are subject to a hold period of four months from the date of closing.

On March 17, 2026, the Company announced that it generated \$1.4 million in cash proceeds through the sale of its minority, non-operated working interest in nine sections of non-core acreage. The disposition reduces Fiddlehead’s abandonment liabilities by approximately \$316,000, based on Alberta Energy Regulator minimum estimates for wells in this area. The disposition reduced overall production by approximately 24.7 boepd (“boepd”) and removed approximately \$8,000 in monthly field-level cash flow, equivalent to \$96,000 annually. Based on the transaction value, the sale reflects an implied multiple of approximately 16x annual field-level cash flow, representing strong value realization for the Company on a non-core asset.

Proceeds from the disposition have been allocated to both balance sheet strengthening and near-term production optimization. A portion of the proceeds reduced borrowings under the Company’s secured credit facility, strengthening the balance sheet while lowering net debt and future interest expense. The remaining proceeds will fund a four-well workover program expected to add approximately 124 boepd of Company-operated production. The incremental production will flow through Fiddlehead owned and operated facilities, expected to reduce per unit operating expenses and increase netbacks. The proposed workover program is expected to have a two-month payback period, representing an excellent use of capital and generating solid returns for shareholders.

On April 28, 2026 the Company amended its Term Loan to extend the maturity date to December 31, 2026.

Significant Acquisitions

The Company completed the Acquisition of the Assets from the Vendor pursuant to the Acquisition Agreement on August 29, 2024. At the time of the closing of the Acquisition, Fiddlehead had no material assets or liabilities other than the Assets and carried on no other business. The consideration for the Assets consisted of cash payments of \$19,000,000 at the time of closing on August 29, 2024, subject to standard closing adjustments, \$1,250,000 on December 31, 2025 and two conditional payments (i) \$1,250,000 payable by January 31, 2026, if gas prices averages over a 12 month period beginning on January 1, 2025 are greater than \$2.25; and (ii) \$1,000,000 payable by January 31, 2026, if gas prices averages over a 12 month period beginning on January 1, 2025 are greater than \$3.75 (“**Purchase Price**”). The Purchase Price was funded through a combination of the Facility, the FinanceCo Financing and the Fiddlehead Financing. The Company filed a Form 51-102F4 in respect of the Acquisition on November 12, 2024.

Potential Acquisitions, Issuance of Securities and Financings

The Company continues to evaluate potential acquisitions of oil and gas related assets and/or companies and other strategic acquisitions as part of its ongoing acquisition program. The Company regularly evaluates potential acquisitions, which individually or together could be material. Fiddlehead has been actively involved in several mergers and acquisitions processes. Fiddlehead remains committed to pursuing only those opportunities that are accretive with low to moderate liability profiles.

The Company may, in the future, issue securities in connection with acquisitions or otherwise and complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, the Company’s operations and capital expenditures and repayment of indebtedness. In selecting which capital project and acquisitions to pursue, the Company pays close attention to both the macro trends that affect its business, as well as

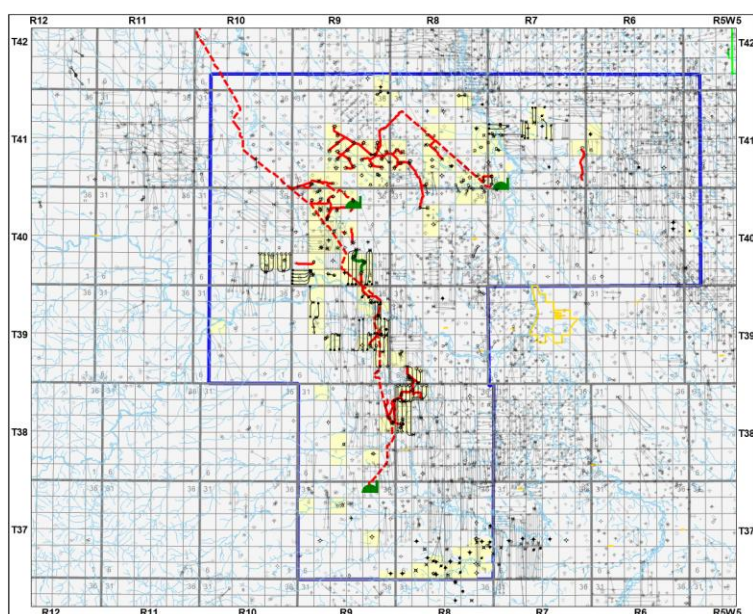
the particular needs of its customers and potential customers. See “*Risk Factors — General Risks — Future Acquisitions*”.

DESCRIPTION OF THE BUSINESS

Pursuant to the Acquisition and the transactions contemplated by the Acquisition Agreement, the Company has interests in the Assets, which consist of oil and gas producing assets in the Ferrier field of Alberta near the town of Rocky Mountain House (approximately 80km west of Red Deer). The Assets consist primarily of interests in 125 producing wells (51.2 net) and 3 main facilities (2 compressor stations and 1 oil battery). Following completion of the Acquisition, the Company is an oil and gas company, with a focus on development and production of the Assets.

The Company’s primary objective will be to generate returns from the Assets for shareholders and value for its other stakeholders. The Company may also consider additional opportunities to grow shareholder value through the acquisition of additional prospective oil and gas properties, or other strategic transactions. Its future performance depends on, among other things, its ability to discover and develop oil and gas reserves at economically recoverable quantities, the prevailing market price of the oil and gas it produces, its ability to secure required financing, and in the event oil and gas reserves are found in economically recoverable quantities, its ability to secure operating and environmental permits to commence and maintain its production operations.

Overview of the Assets



The Assets consist of certain oil and gas producing assets located in Townships 37 – 41 and Ranges 5 - 10 West of the 5th Meridian near the town of Rocky Mountain House in Alberta Canada. The assets include oil and gas wellbores, mineral rights, surface leases and associated facilities and pipelines.

There are 155 (78 net) well locations where Fiddlehead has an operated or non-operated working interest along with an additional 36 wells that have a royalty interest. Production is primarily from the Cardium formation along with production from the Ellerslie, Rock Creek, Viking, and Belly River. The land position (mineral rights) consists of an undeveloped land position of 5,336 hectares (gross) / 2,680 hectares (net) and developed land position of 18,240 hectares (gross) / 10,923 hectares (net).

The main facilities are two gas compressor stations located at 9-24-38-9W5 (100% WI) and 4-13-41-8W5 (75% WI) and an oil battery located at 13-2-40-9W5 (WI 100%). These facilities are the initial point of gathering for the

production while the final processing and sale of the gas and associated liquids are done at 3rd party gas plants in the area.

All information regarding the Assets contained herein, including all reserves and related information, financial information, has been derived in part from information provided by the Vendor and other third parties. See “*Risk Factors*”.

Multi-Year Drilling Inventory

The Company’s drilling strategy is to engage in low risk development drilling. Management believes that it has a multi-year drilling inventory consisting of 49 gross (18 net) unbooked drilling locations based on internal estimates. Fiddlehead has an inventory of 5 (5 net) 2-mile drilling locations recognized in the GLJ Reserves Report with gross proved plus probable reserves of 2,388 MBoe assigned thereto.

Infrastructure Capacity

Current infrastructure capacity is sufficient to handle all production resulting from the forecasted drilling program. Management does not foresee any capacity constraints in this area.

Specialized Skill and Knowledge

The Company employs individuals with various professional skills in the course of pursuing its business plan. In addition, the Company has available to it various specialized consultants to assist it in various areas where it feels it does not need full time employees. These professional skills include, but are not limited to, geology, geophysics, engineering, financial and business skills, which are widely available in the industries in which Fiddlehead operates. Drawing on significant experience in the oil and natural gas business, the Company believes its management team has a demonstrated track record of bringing together all of the key components to a successful exploration and production company: strong technical skills; expertise in planning and financial controls; ability to execute on business development opportunities; capital markets expertise; and an entrepreneurial spirit that allows the Company to effectively identify, evaluate and execute on value added initiatives. In order to attract and retain personnel with such skills and knowledge, Fiddlehead maintains competitive remuneration and compensation packages. To date, it has been able to locate and retain such professionals in Canada, and management believes the Company will be able to continue to do so.

Competitive Conditions

The oil and natural gas industry is very competitive, and the Canadian Association of Petroleum Producers estimates that there are over 1,000 exploration and production companies in Canada. The Company believes that it has a strong competitive position in the areas in which it operates, see “*Fiddlehead Reserves – Disclosure of Reserves Data – Other Oil and Natural Gas Information – Principal Oil and Natural Gas Properties*”, and “*Fiddlehead Assets*”. The Company’s business strategy is to develop and grow production in core areas to enable it to have operating cost advantages and operating efficiencies in each core area.

Companies operating in the oil and gas industry and the mining industry must manage risks which are beyond the direct control of company personnel. Among these risks are those associated with exploration, environmental damage, commodity prices, foreign exchange rates and interest rates.

The oil and gas industry is intensely competitive and the Company is required to compete with a substantial number of other entities which may have greater technical or financial resources. The access to new prospects in the oil and gas industry is becoming more and more competitive and complex.

As a result of the competitors in the oil and gas industry, many of whom have greater financial resources than Fiddlehead, the Company may be unable to acquire attractive oil and gas assets, or oil and gas properties in the future on terms it considers acceptable. The Company must also compete with other companies when it comes to: (a) raising

the capital necessary to fund its operations and the potential development of its properties; and (b) obtaining the resources to conduct exploration and development activities on its properties.

The Company attempts to enhance its competitive position by operating in areas where it believes its technical personnel are able to reduce some of the risks associated with exploration, production and marketing because they are familiar with the areas of operation. Management believes that the Company will be able to explore for and develop new production and reserves with the objective of increasing its cash flow and reserve base. See “*Risk Factors — Oil and Gas: Exploration, Development, Production and Operational Risks — Competition*”.

Cycles

The Company’s business is generally not cyclical. The exploration for, and the development of oil and natural gas may be dependent on seasonal access to areas where drilling and other exploration activities are to be conducted. Seasonal weather variation, including “freeze-up” and “break-up”, affect access in certain circumstances.

Generally, the demand for natural gas increases during the winter months and decreases during the summer months. Seasonal anomalies such as mild winters or hot summers may impact general seasonal changes in natural gas demand.

See “*Risk Factors — Seasonality*”.

Environmental Protection

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation. Compliance with such legislation may require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which might have a significant negative impact on earnings and overall competitiveness of the Company. For a description of the financial and operational effects of environmental protection requirements on the capital expenditures, earnings and competitive position of the Company see “*General Description of the Business –Regulation*” and “*Risk Factors – Environmental*”.

Employees

As at the date of this Annual Information Form, Fiddlehead had 7 full time employees located at its office in Calgary and another 4 full time employees at its field office in Eckville, Alberta.

Regulation

The crude oil and natural gas industry in the province of Alberta is extensively regulated at the federal, provincial, and municipal levels. Regulations affecting elements of the energy sector in Alberta are under constant review for amendment or expansion and frequently more stringent requirements are imposed. Various federal and provincial agencies, including the AER and the Canadian Energy Regulator have, or may have in the future, legal and regulatory authority and oversight over Fiddlehead’s exploration and development activities and operations. In addition, regulations imposed in jurisdictions other than where Fiddlehead has operations, may influence those jurisdictions where Fiddlehead does operate.

Canadian environmental regulation is the responsibility of both the federal and provincial governments. While provincial governments and their delegates are responsible for most environmental regulation, the federal government can regulate environmental matters where they impact matters of federal jurisdiction or when they arise from projects that are subject to federal jurisdiction, such as interprovincial transportation undertakings, including pipelines and railways, and activities carried out on federal lands. Where there is a direct conflict between federal and provincial environmental legislation in relation to the same matter, the federal law prevails.

Ensuring compliance with the rules, regulations, and orders promulgated by such entities requires extensive effort and incremental costs to comply, which may affect Fiddlehead's profitability. As public policy changes are commonplace, and existing laws and regulations are frequently amended, Fiddlehead is unable to predict the future cost or impact of compliance. However, Fiddlehead does not expect that any of these laws and regulations will affect its operations materially differently than they would affect other companies with similar operations, size, and financial position. The following are significant areas of government control and regulation affecting Fiddlehead's crude oil and natural gas activities.

Environmental, Health and Safety Policies

The Company supports environmental protection and employee health and safety by integrating the essential principles and practices through its environmental management systems and employee occupational health and safety programs. The Company promotes safety and environmental awareness and protection through the implementation and communication of the Company's environmental management and employee occupational health and safety programs, policies and procedures. Committee structures are established in the Company's operations which are designed to allow for employee participation and development of policies and programs which provide employees with job orientation, training, instruction and supervision to assist them in conducting their activities in an environmentally responsible and safe manner.

The Company develops emergency response teams and preparedness plans in conjunction with local authorities, emergency services and the communities in which it operates in order to effectively respond to an environmental incident should it arise. Environmental assessments are undertaken for new projects or when acquiring new properties or facilities in order to identify, assess and minimize environmental risks and operational exposures. The Company conducts audits of operations, once it begins operating the assets, to confirm compliance with internal standards and to stimulate improvement in practices where needed. Documentation is maintained to support internal accountability and measure operational performance against recognized industry indicators to assist in achieving the objectives of the described policies and programs.

The Company also faces environmental, health and safety risks in the normal course of its operations due to the handling and storage of hazardous substances. The Company's environmental and occupational health and safety management systems are designed to manage such risks in the Company's business and allow action to be taken to mitigate the extent of any environmental, health or safety impacts from such operations. A key aspect of these systems is the performance of annual environmental and occupational health and safety audits.

Over time, the trend in laws and regulations impacting crude oil and natural gas production operations has been to place more restrictions and limitations on these activities. If existing legal requirements change or new legislative, regulatory, or executive initiatives are developed and implemented in the future, Fiddlehead may be required to make significant, unanticipated expenditures.

Exploration and Development Activities

Fiddlehead's crude oil and natural gas operations are subject to laws and regulations that relate to matters including: the acquisition of seismic data; location, drilling, and casing of wells; hydraulic fracturing; well production operations; disposal of produced water; regulation of transportation and sale of crude oil, condensate, NGLs, and natural gas; surface land usage; and restoration of lands disturbed for crude oil and natural gas operations.

Development and production operations are subject to various regulations, including regulations requiring permits for the drilling and completion of wells, the posting of security in connection with development and production activities and the filing of reports related to production operations. Alberta, and certain municipalities in which Fiddlehead operates also regulate one or more of the following: the location of wells; the method of drilling and casing wells; the method and ability to fracture stimulate wells; the surface use and restoration of lands upon which wells are drilled and infrastructure and equipment are located; the disposal of produced water; the plugging and abandoning of wells; and notices to surface land owners and other third parties.

Many of the wells drilled by Fiddlehead are completed and stimulated through the use of hydraulic fracturing technology. Hydraulic fracturing involves the injection of water, sand, and small amounts of additives under high pressure into tight rock formations to stimulate the production of crude oil and natural gas. While the majority of the sand remains underground to hold open the fractures, a significant amount of the water and chemical additives flow back and are then either reused or safely disposed of at sites that are approved and permitted by provincial regulatory authorities.

Hydraulic fracturing is regulated at the provincial level through permitting and other compliance requirements. Regulatory scrutiny of hydraulic fracturing has generally focused on issues related to water storage, management and handling, increased seismicity in the areas in which hydraulic fracturing takes place, and local stakeholder engagement. Regulatory authorities actively monitor and investigate hydraulic fracturing activities in their jurisdictions and have imposed, or have considered imposing, various conditions and restrictions on drilling and completions activities involving hydraulic fracturing. Such restrictions, conditions, or prohibitions could lead to operational delays and increased operating and compliance costs, and could delay or prevent the development of crude oil, condensate, NGLs, and natural gas from formations which would not be economically viable without the use of hydraulic fracturing.

Project Approvals

Approvals and licenses from relevant government and regulatory bodies are required to carry out or make modifications to Fiddlehead's crude oil and natural gas production activities. The project approval process can involve environmental assessment, stakeholder and Indigenous consultation, and inputs regarding project concerns and public hearings and may include various conditions and commitments arising throughout the consultation and review process.

In 2019, the *Canadian Energy Regulator Act* (Canada) and Impact Assessment Act (Canada) (“IAA”) came into force. The IAA was later amended in 2024 following a Supreme Court of Canada decision that found certain aspects of the IAA were unconstitutional largely on the basis that it represented significant federal overreach into provincial affairs. These laws and their amendments, and the legal and political responses of provincial governments to these laws, impact the way large energy-related projects are approved and have created uncertainty concerning the governmental approval processes, timelines and designation criteria associated with large infrastructure projects. Though Fiddlehead does not typically own, operate, permit, or construct projects which would appear to fall under the scope of the IAA, aspects of Fiddlehead's crude oil and gas natural operations may rely on these projects being owned, operated, permitted, and constructed by others.

The Canadian federal and provincial governments have a duty to consult with Indigenous Peoples when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of ongoing litigation. The fulfillment of the duty to consult Indigenous People and any associated accommodations may adversely affect Fiddlehead's ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals.

Climate Change and Greenhouse Gas Emissions

Greenhouse gases, which include among other items, methane, carbon dioxide, nitrous oxide and various fluorinated gases (“GHGs”) are typically emitted throughout all phases of the crude oil and natural gas supply chain and in end user consumption through activities such as power generation and motorized transportation. The Government of Canada and the provincial Government of Alberta have been increasingly focused on GHG emissions and climate change issues in recent years, resulting in new laws and regulations designed to limit existing emissions of GHGs, and to restrict or eliminate future GHG emissions. Some of these laws and regulations are in effect, while others remain in various phases of review, discussion, or implementation.

In December 2023, the Government of Canada announced plans to implement a national emissions cap-and-trade model. Subsequent to this announcement, the Oil and Gas Sector Greenhouse Gas Emissions Cap Regulations were proposed in November 2024, with the final regulations set to be published in 2025. The proposed regulations would phase in a cap-and-trade system between 2026 and 2030 and have it apply to operators of upstream crude oil and

natural gas facilities and LNG facilities that undertake certain industrial activities specified under the proposed regulations. Industrial activities would include, among other things, production of LNG, processing of natural gas or natural gas condensates and bitumen and other crude oil production. Operators of existing regulated facilities would be required to register prior to January 1, 2026, to satisfy reporting deadlines in 2027 for 2026 emissions, or otherwise be prohibited from emitting any direct or indirect GHGs from industrial activities.

The emissions cap and distribution of emissions allowances would come into effect on January 1, 2029. The 2030 emissions cap would be set for each year of the first compliance period at 27 per cent below emissions levels reported for 2026, which is estimated to align with 35 per cent below 2019 emission levels. The emissions cap will also inform the number of emissions allowances issued to each operator of regulated facilities. Emissions allowances would be issued to operators annually and be pro-rated across all of an operator's regulated facilities based on historical production volumes.

Under the proposed regime, operators must remit emissions allowances to cover their emissions. These remittance obligations would come into effect on January 1, 2030. Operators that emit more than the allowances allocated would have some flexibility to compensate for a limited quantity of additional emissions, up to a certain level, which for 2030, would be 19 per cent below 2019 emission levels.

The Government of Canada has committed to regularly reviewing the emissions cap trajectory, the emissions trading market, and access to compliance flexibilities in setting the allowance level and legal upper bound for the post-2030 period with a view to its long-term objective of achieving net-zero GHG emissions by 2050.

Many of the federal government initiatives have, by legislative design, caused the provincial Government of Alberta to evaluate, and in some cases, enact their own laws and regulations in response to federal government initiatives focused on GHG emissions, particularly in the areas of output-based pricing systems and the regulation of methane emissions from crude oil and natural gas operations. It is not clear how the proposed cap-and-trade model will interact with other federal and provincial regulatory regimes for reducing GHG emissions. The Government of Alberta has indicated that it will launch a constitutional challenge once the cap-and-trade system comes into effect.

Output-Based Pricing Systems

On January 1, 2019, the *Greenhouse Gas Pollution Pricing Act* (the “**GGPPA**”) came into force in Canada. This federal regime implemented an output-based pricing system which imposes a price (cost) on CO_{2e} emissions for large industry and a fuel charge system. On March 25, 2021, following challenges to the constitutionality by multiple provinces, the Supreme Court of Canada released its decision in *Reference re Greenhouse Gas Pollution Pricing Act*, upholding the constitutionality of a federal law establishing minimum national standards for carbon pricing in Canada. This regime has two parts: an output-based pricing system for large industry and a regulatory fuel charge imposing an initial price of \$20/tonne of CO_{2e} emissions, originally planned to increase to \$170/tonne by 2030. This system applies in provinces and territories that request it and in those that do not have their own emissions pricing systems in place that meet the federal standards. The effect of the GGPPA is that, regardless of whether a particular province has enacted legislation of its own, there is a uniform minimum price on emissions across the country. As of April 1, 2025 the federal fuel charge, part of the GGPPA, will be eliminated, with rates set to zero for all fuels and combustible waste.

Methane Regulations

In 2020, the Government of Canada's *Regulations Respecting Reduction in the Release of Methane and Certain Volatile Organic Compounds (Upstream Oil and Gas Sector)* (the “**Federal Methane Regulations**”) came into force to reduce emissions of methane from the crude oil and natural gas sector by using new control measures intended to reduce unintentional leaks and the intentional venting of methane, and ensuring that crude oil and natural gas operations use low-emission equipment and processes. Among other things, the Federal Methane Regulations limit how much methane upstream crude oil and natural gas facilities are permitted to vent. The regulations aim to reduce the crude oil and natural gas sector's methane emissions by 40 per cent to 45 per cent by 2025, relative to 2012 emissions. Proposed amendments to the Federal Methane Regulations are expected to come into force in 2027. These amendments introduce, among other items, new prohibitions and limits on certain intentional emissions, a new risk-

based approach around unintentional emissions, and a new performance-based approach for compliance that relies on continuous emissions monitoring systems.

The Government of Alberta has enacted provincial regulations designed to lower annual methane emissions from the crude oil and natural gas sector 45 per cent by 2025, in line with the federal methane regulations and effective January 1, 2020. Accordingly, the Government of Canada announced equivalency agreements with the Government of Alberta regarding the regulation of methane emissions from the crude oil and natural gas sector such that the federal methane regulations would not apply in the jurisdiction.

Russian Invasion of Ukraine

In response to Russian aggression in Ukraine, Canada, in coordination with its NATO allies, issued an array of sanctions targeting Russia, Belarus, and the separatist-controlled territories of Ukraine. These restrictions on trade and financial transactions have had significant consequences for the price of oil globally. Crude oil prices are expected to remain volatile for the next several years, in part due to the global economic sanctions imposed on Russia and other geopolitical tensions and events, including war, international conflict, military action, regional hostilities, terrorism and trade disputes.

Effective March 10, 2022, persons in Canada, or Canadian citizens or entities operating outside Canada are prohibited from importing, purchasing or acquiring petroleum oil, petroleum gas, or other gaseous hydrocarbons from Russia or any person in Russia. Moreover, as of June 7, 2022, Canada amended the Special Economic Measures (Russia) Regulations (“SER”) to ban the supply of key services to certain Russian industries. Canadians and persons in Canada are now prohibited from providing a wide range of services, such as mining and oil & gas extraction support services, energy distribution, repairs and research & development, to Russia or to any person in Russia in specified industries.

On July 14, 2022, Canada further expanded its services ban to Russian operators of oil and gas pipelines including businesses that manufacture metal products, computers, electronics and optical devices, electrical equipment, machinery, motor vehicles, trailers and semi-trailers and transport equipment. Two additional categories of support services for manufacturing were added to the schedule. The July 14 amendments were subject to a 60-day wind down period for contracts entered into before that date.

On December 7, 2022, Canada amended the SER, barring Canadians from providing services related to maritime transportation of Russian crude oil, unless that oil was purchased pursuant to the pricing set out in the G7+ Coalition Oil Price Cap List. While the Company does not have any operations or transactions impacted directly by Russian sanctions, the ongoing conflict in Ukraine and resultant sanctions imposed from time to time are expected to have a continued effect on the volatility of crude oil prices.

Canada-United States-Mexico Agreement

On July 1, 2020, the Canada-United States-Mexico Agreement (“CUSMA”) entered into force, replacing the North American Free Trade Agreement (“NAFTA”). Under CUSMA, the rule of origin applicable to heavy oil containing diluent has been relaxed to allow up to 40% of non-originating diluent that is added for the purpose of transportation in pipelines without affecting the originating status of the product, which will allow Canadian products to more easily qualify for duty-free treatment when imported into the U.S. Further, CUSMA does not include the “energy proportionality clause” which was contained in NAFTA, and there are no more customs duties on U.S. imports of Canadian heavy oil mixed with diluent in CUSMA.

The investor-state dispute settlement provisions of NAFTA will no longer be available to protect future investments of Canadians in the U.S. or U.S. investments in Canada, meaning Canadian investors with U.S. investments must now seek recourse through U.S. law, or by having the Canadian government initiate a state-to-state claim on their behalf against the U.S. Government.

CUSMA is subject to a formal joint review in 2026 and Canada and the United States are commencing public consultation with respect to CUSMA in preparation of the review. Following the United States presidential election

in November 2024, the timing of the formal joint review of CUSMA may occur earlier than 2026 and may result in significant changes.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Statement of Reserves Data and Other Oil and Gas Information

The statement of reserves data and other oil and gas information is set forth below (the “**Statement**”). The effective date of the Statement is December 31, 2025. The reserves data conforms to the requirements of NI 51-101.

The reserves data set forth below is based upon an evaluation by GLJ and contained in the GLJ Report dated January 27th, 2026. The preparation date of the GLJ Report is January 27th, 2025. The reserves data summarizes the Company’s light and medium crude oil, heavy oil, tight oil, conventional natural gas, coal bed methane, shale gas, and natural gas liquids reserves and the net present values of future net revenues for these reserves, using forecast prices and costs prior to provision for interest, general and administrative expenses, the impact of any hedging activities or the liability associated with the abandonment and reclamation of certain wells, pipelines and facilities. Future net revenues have been presented on a before-tax and after-tax basis. The Company engaged GLJ to provide an independent evaluation of proved and proved plus probable reserves.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained, and variances could be material. The recovery and reserves estimates of light and medium crude oil, heavy oil, tight oil, conventional natural gas, coal bed methane, shale gas, and natural gas liquids reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual light and medium crude oil, heavy oil, tight oil, conventional natural gas, coal bed methane, shale gas, and natural gas liquids reserves may be greater than or less than the estimates provided herein. Readers should review the definitions contained in “*Certain Definitions – Selected Technical Terms*” in conjunction with the following tables and notes. For more information as to the risks involved, see “*Risk Factors – Risk Relating to Our Business and Operations*”.

The Report on Reserves Data by GLJ on Form 51-101F2 is attached as Schedule A to this Annual Information Form. The Report of Management and Directors on Form 51-101F3 is attached as Schedule B to this Annual Information Form.

Disclosure of Reserves Data

SUMMARY OF OIL AND GAS RESERVES (Forecast Costs and Prices)

Company Reserves								
Total Company	Light and Medium Oil (Mbbbl)		NGL (Mbbbl)		Conventional Natural Gas (MMcf)		Total Oil Equivalent (Mboe)	
Reserves Category	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	42	51	815	755	13,065	12,929	3,034	2,961
Proved Developed Non-Producing	0	2	29	26	458	436	105	100
Proved Undeveloped	581	481	379	317	5,908	5,516	1,945	1,717
Total Proved	623	534	1,223	1,097	19,431	18,881	5,084	4,778
Probable	162	129	323	283	5,105	4,984	1,336	1,243
Total Proved Plus Probable	785	663	1,546	1,381	24,537	23,865	6,420	6,021

Notes:

- (1) Gross reserves are working interest reserves before royalty deductions.
- (2) Net reserves are working interest reserves after royalty deductions plus royalty interest reserves.
- (3) Natural Gas Liquids include Condensate volumes.

**NET PRESENT VALUES OF FUTURE NET REVENUE BEFORE
INCOME TAXES DISCOUNTED AT (%/YEAR)**
(Forecast Costs and Prices)

Net Present Value of Future Net Revenue					
Total Company	Before Income Taxes, Discounted at (% / year)				
Reserves Category	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved Developed Producing	24,352	22,570	20,297	18,184	16,373
Proved Developed Non-Producing	914	814	701	601	517
Proved Undeveloped	23,251	16,639	11,960	8,655	6,270
Total Proved	48,517	40,023	32,958	27,440	23,160
Probable	23,437	14,983	10,187	7,378	5,632
Total Proved Plus Probable	71,955	55,005	43,146	34,818	28,792

**NET PRESENT VALUES OF FUTURE NET REVENUE AFTER
INCOME TAXES DISCOUNTED AT (%/YEAR)**
(Forecast Costs and Prices)

Net Present Value of Future Net Revenue					
Total Company	After Income Taxes, Discounted at (% / year)				
Reserves Category	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved Developed Producing	22,739	21,296	19,276	17,355	15,692
Proved Developed Non-Producing	672	617	538	464	401
Proved Undeveloped	17,785	12,168	8,206	5,436	3,464
Total Proved	41,196	34,081	28,020	23,255	19,556
Probable	18,858	11,954	8,049	5,787	4,398
Total Proved Plus Probable	60,054	46,035	36,069	29,042	23,954

FUTURE NET REVENUE (UNDISCOUNTED)

Reserves Category	Company Revenue (M\$)	Royalties (M\$)	Operating Expense (M\$)	Development Costs (M\$)	Abandonment Costs (M\$)	Future Net Revenue (M\$)	Income Tax (M\$)	Future Net Revenue After Income Tax (M\$)
Proved Developed Producing	97,602	7,039	57,052	1,672	7,487	24,352	1,613	22,739
Proved Developed Non-Producing	3,280	187	1,661	125	392	914	242	672
Proved Undeveloped	92,543	13,127	29,562	25,490	1,113	23,251	5,466	17,785
Total Proved	193,425	20,353	88,275	27,287	8,993	48,517	7,321	41,196
Probable	61,582	8,057	29,423	99	566	23,437	4,580	18,858
Total Proved Plus Probable	255,007	28,410	117,697	27,386	9,559	71,955	11,901	60,054

FUTURE NET REVENUE BY PRODUCT TYPE

Reserves Category	Production Group	Future Net Revenue Before Income Tax, Discounted at 10%/Year (M\$)	Unit Value Before Income Tax, Discounted at 10%/Year (\$/boe)	Unit Value Before Income Tax, Discounted at 10%/Year (\$/Mcf)
Proved Developed Producing				
	Light/Medium Oil	8,280	15.91	2.65
	Conventional Natural Gas	12,017	4.92	0.82
Proved Developed Producing		20,297	6.85	1.14
Total Proved				
	Light/Medium Oil	21,008	10.03	1.67
	Conventional Natural Gas	11,950	4.45	0.74
Total Proved		32,958	6.90	1.15
Total Proved Plus Probable				
	Light/Medium Oil	29,313	10.49	1.75
	Conventional Natural Gas	13,833	4.29	0.71
Total Proved Plus Probable		43,146	7.17	1.19

Notes:

- (1) Unit values are based on net reserve volumes.
- (2) Barrel of Oil Equivalent (BOE): 6 Mcf = 1 BOE.
- (3) Light and Medium Oil includes solution gas and other by-products.
- (4) Conventional Natural Gas includes by-products but excluding solution gas.

PRICING ASSUMPTIONS

The forecast cost and price assumptions assume increases in wellhead selling prices and accounts for inflation with respect to future operating and capital costs. Crude oil, NGL and natural gas benchmark reference pricing, inflation and exchange rates utilized in the GLJ Report were from the three Consultant Average (McDaniel, GLJ, Sproule) forecast, as at January 1, 2026, as follows:

Year	WTI	MSW, Light	Edmonton Propane CAD/bbl	Edmonton Butane CAD/bbl	Edmonton C5+ CAD/bbl	Natural Gas AECO CAD/MMBtu	Exchange Rate USD/CAD	Inflation Rate %
	Crude Oil Cushing USD/bbl	Crude Oil at Edmonton CAD/bbl						
2026	59.92	77.54	25.10	36.95	80.01	3.00	0.73	0.00
2027	65.10	83.60	27.28	39.79	86.19	3.30	0.74	2.00
2028	70.28	90.18	29.67	42.87	92.83	3.49	0.74	2.00
2029	71.93	92.32	30.37	43.89	95.05	3.58	0.74	2.00
2030	73.37	94.17	30.98	44.77	96.94	3.65	0.74	2.00
2031	74.84	96.06	31.60	45.67	98.89	3.72	0.74	2.00
2032	76.34	97.98	32.23	46.58	100.87	3.80	0.74	2.00
2033	77.87	99.93	32.87	47.51	102.88	3.88	0.74	2.00
2034	79.42	101.93	33.53	48.46	104.94	3.95	0.74	2.00
2035	81.01	103.97	34.20	49.43	107.04	4.03	0.74	2.00
2036	82.63	106.05	34.89	50.42	109.18	4.11	0.74	2.00
2037	84.29	108.17	35.58	51.43	111.36	4.20	0.74	2.00
2038	85.97	110.34	36.30	52.46	113.59	4.28	0.74	2.00
2039	87.69	112.54	37.02	53.51	115.86	4.36	0.74	2.00
2040	89.45	114.79	37.76	54.58	118.18	4.45	0.74	2.00
2041+	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	0.74	2.00

RECONCILIATION OF CHANGES IN RESERVES

Reserves Reconciliation

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at December 31, 2025, against the Company's reserves as at December 31, 2024, the most recently completed financial year end (summarized in the tables above) based on the forecast price and cost assumptions evaluated in accordance with NI 51-101 definitions:

FACTORS	Total Light and Medium Crude			Total Natural Gas			Total Natural Gas Liquids			BOE		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)
December 31, 2024	659	182	841	18,378	6,325	24,704	1,242	427	1,670	4,964	1,664	6,628
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Extensions*	0	0	0	0	0	0	0	0	0	0	0	0
Infill Drilling*	0	0	0	0	0	0	0	0	0	0	0	0

Improved Recovery*	0	0	0	0	0	0	0	0	0	0	0	0
Technical Revisions	-10	-15	-26	3,165	-1,199	1,966	117	-98	19	634	-313	321
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factors	-1	-4	-5	-11	-21	-33	-1	-7	-8	-4	-15	-19
Production	-26	0	-26	-2,100	0	-2,100	-135	0	-135	-511	0	-511
December 31, 2025	623	162	785	19,431	5,105	24,537	1,223	323	1,546	5,084	1,336	6,420

Reserve Change Category Descriptions:

Discoveries:	Additions in fields/reservoirs where no reserves were previously booked.
Extensions:	Additions for step-out drilling in previously discovered/booked reservoirs.
Infill Drilling:	Additions for infill drilling in previously discovered/booked reservoirs. Not related to enhanced recovery schemes.
Improved Recovery:	Additions resulting from the initiation of improved recovery schemes.
Technical Revisions:	Positive or negative changes resulting from new technical data or revised interpretations of previously assigned reserves.
Acquisitions:	Additions related to purchasing oil and gas assets.
Dispositions:	Reductions related to selling oil and gas assets.
Economic Factors:	Changes due to different price forecasts, inflation rates, and regulatory changes.
Production:	Reductions due to production during the time period being reconciled.

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

The following discussion generally describes the basis on which Fiddlehead attributes proved and probable undeveloped reserves and its plans for developing those undeveloped reserves.

The Company attributed certain proved and probable undeveloped reserves. The Company plans to develop all its proved and probable undeveloped reserves within three years; however, these locations will continue to be re-evaluated to assess their relative economic merits when compared to other projects available and may choose to delay development depending on a number of circumstances, including the existence of higher priority expenditures and prevailing commodity prices and cash flow.

The following tables set forth the proved undeveloped reserves and the probable undeveloped reserves, each by product type, attributed to the Company's assets for the years ended December 31, 2025, 2024 and 2023.

Proved Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from gathering systems. In addition, such reserves may relate to planned drilling locations.

SUMMARY OF UNDEVELOPED RESERVE VINTAGE BY PRODUCT TYPE - PROVED (Forecast Prices & Costs)

Company Gross Reserves

Year	Light and Medium Oil (Mbbl)		NGL (Mbbl)		Conventional Natural Gas (MMcf)		Total Oil Equivalent (Mboe)	
	Attributed	Total at Year End	Attributed	Total at Year End	Attributed	Total at Year End	Attributed	Total at Year End
Dec. 31, 2023	-	-	-	-	-	-	-	-
Dec. 31, 2024	578	578	378	378	5,600	5,600	1,890	1,890
Dec. 31, 2025	-	578	-	378	-	5,600	-	1,890

Probable Undeveloped Reserves

Probable reserves are generally reserves tested or indicated by analogy to be productive, drilling locations and lands contiguous to production.

Company Gross Reserves								
Year	Light and Medium Oil (Mbbl)		NGL (Mbbl)		Conventional Natural Gas (MMcf)		Total Oil Equivalent (Mboe)	
	Attributed	Total at Year End	Attributed	Total at Year End	Attributed	Total at Year End	Attributed	Total at Year End
Dec. 31, 2023	-	-	-	-	-	-	-	-
Dec. 31, 2024	155	155	166	166	2,463	2,463	732	732
Dec. 31, 2025	-	155	-	166	-	2,463	-	732

SUMMARY OF UNDEVELOPED RESERVE VINTAGE BY PRODUCT TYPE - PROBABLE (Forecast Prices & Costs)

Significant Factors or Uncertainties

The evaluated oil and gas properties of the Company have no material extraordinary risks or uncertainties beyond those which are inherent of an oil and gas producing company. Some of these risks are noted below.

The process of estimating reserves is complex. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and natural gas prices and costs change. Estimates are reviewed and revised, either upward or downward, as warranted by newly acquired information.

The evaluation and drilling of hydrocarbon targets may be curtailed, delayed or cancelled by the unavailability or prevailing cost of drilling rigs or technical contractors, mechanical difficulties, adverse weather and ocean conditions, environmental issues, political or social unrest, technical hazards, such as unusual or unexpected formations or pressures or because of issues related to compliance with government regulations or requirements. Drilling may result in unprofitable efforts, not only with respect to dry wells, but also with respect to wells which, though yielding some hydrocarbons, are not sufficiently productive to economically justify commercial development. Furthermore, the successful completion of a well does not assure a profit on investment or the recovery of drilling, completion, and operating costs.

Future Development Costs

The following table sets forth the development costs which have been deducted in the estimation of the Company's future net revenues of the reserves evaluated in the Reserves Report for the year ended December 31, 2025.

**Future Development Costs
Estimated Using Forecast Prices and Costs (Undiscounted)**

Reserves Category	Year						
	2026 (M\$)	2027 (M\$)	2028 (M\$)	2029 (M\$)	2030 (M\$)	Remainder (M\$)	Total (M\$)
Proved Developed Producing	-	-	-	-	955	717	1,672
Total Proved	10,225	15,351	-	-	-	1,711	27,287
Total Proved Plus Probable	10,225	15,351	-	-	-	1,810	27,386

The Company can fund its capital expenditure programs through internally generated cash flow from operations, debt financing when appropriate, new issues of Common Shares, if available on favorable terms or a combination thereof. Fiddlehead anticipates 2026 capital expenditures of \$10.2 million for exploration and development activities around Rocky Mountain House, Alberta. The Company expects to fund the above future development costs primarily through existing working capital, debt or equity financings, if necessary. Fiddleheads' capital program does not include any new acquisition opportunities, which would likely be financed through equity financing and/or debt financing. There can be no guarantee that the Board of Directors will allocate funding to develop all of the reserves attributed in the Reserves Report. Failure to develop those reserves could have a negative impact on the Company's future cash flow.

Interest or other costs of external funding are not included in the Company's reserves and future net revenue estimates and would reduce reserves and future net revenue to some degree depending upon the funding sources utilized. The Company does not anticipate that interest or other funding costs would make development of any its properties uneconomic.

Production Estimates

The following table discloses for each product type the total volume of production estimated by GLJ for 2026 in the estimates of future net revenue from the forecast case of proved plus probable reserves disclosed above under the heading "Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue".

Company Gross (2026)								
Total Company	Light/Medium Oil (bbl/d)		NGL (bbl/d)		Conventional Natural Gas (Mmcf/d)		Total Oil Equivalent (boe/d)	
Reserves Category	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Proved Developed Producing	20	27	5,395	5,415	337	256	1,256	1,186
Proved Developed Non-Producing	0	1	101	97	6	4	23	22
Proved Undeveloped	167	158	715	679	46	43	332	314
Total Proved	187	186	6,211	6,191	389	304	1,611	1,522
Probable	2	3	89	99	6	5	22	24
Total Proved Plus Probable	189	188	6,300	6,290	395	309	1,634	1,546

Production History

The following tables set forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by the Company for each quarter of its most recently completed financial year:

Total Company	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Company Gross Production				
Light/Medium Oil (bbl/d)	119	84	51	30
NGL (bbl/d)	394	396	293	375
Natural Gas (Mcf/d)	6,746	6,281	4,577	5,409
Boe/d	1,636	1,526	1,107	1,306

Average Prices	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Light/Medium Oil (\$/bbl)	91.79	79.22	82.93	71.83
NGL (\$/bbl)	49.32	33.87	39.37	33.40
Natural Gas (\$/Mcf)	2.06	1.66	0.59	2.41
\$/boe	27.13	20.17	17.04	21.30

Royalties

Total Company	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Royalties (M\$)	979	685	509	491
\$/boe	6.65	4.93	4.99	4.09
Percent of Revenue (%)	25%	25%	30%	19%

Net Operating Expenses

Total Company	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Net Operating Expense (M\$)	1,715	1,779	1,074	1,564
\$/boe	11.65	12.81	10.55	13.01

Transportation Expenses

Total Company	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Transportation Expense (M\$)	14	12	6	10
\$/boe	0.10	0.08	0.11	0.08

Operating Netbacks

Total Company	Q1 2025	Q2 2025	Q3 2025	Q4 2025
Production (boe/d)	1,636	1,526	1,107	1,306
Revenue (\$/boe)	27.13	20.17	17.04	21.30
Royalties (\$/boe)	6.65	4.93	4.99	4.09
Net Operating Expense (\$/boe)	11.65	12.81	10.54	13.01
Transportation Expense (\$/boe)	0.10	0.08	0.10	0.08
Operating Netback (\$/boe)	8.73	2.35	1.41	4.12

Notes:

1. Operating Netback is calculated by deducting royalties paid, net operating expense, and transportation from prices received.

DIVIDEND RECORD AND POLICY

As of December 31, 2025, no dividends or other distributions have been made by the Company within the three most recently completed financial years or during the current financial year. The amount of future cash dividends, if any, will be subject to the discretion of the Board and may vary depending on a variety of factors and conditions existing

from time-to-time, including financing requirements and financial condition of the Company and other factors which the board of directors, in its sole discretion, may consider appropriate and in the best interests of the Company.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, without nominal or par value. As of the date hereof, 71,364,113 Common Shares are issued and outstanding.

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of any other class of shares of the Company, are entitled to receive such dividends in any financial year as the Board of Directors of the Company may by resolution determine. The Board may at any time declare and authorize the payment of such dividends exclusively to the registered holders of the Common Shares without declaring any corresponding dividends to the registered holders of the preferred shares. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

As of December 31, 2025 the Company had 53,600,000 Warrants and 4,080,000 Broker Warrants outstanding. Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$0.24 for a period of sixty months following the date of issuance.

MARKET FOR SECURITIES

The Common Shares are listed for trading on the TSXV under the symbol “FHR”. The following table sets out the price range (high and low sales prices) of the Common Shares and consolidated volumes traded for the periods indicated (as reported by the TSXV):

Period	High (\$)	Low (\$)	Volume
2025			
January	0.150	0.120	1,496,608
February	0.125	0.100	571,070
March	0.120	0.080	841,170
April	0.180	0.080	2,117,910
May	0.150	0.115	1,062,533
June	0.170	0.130	550,500
July	0.150	0.110	1,268,440
August	0.125	0.100	2,012,833
September	0.170	0.095	1,772,405
October	0.125	0.075	604,169
November	0.110	0.080	594,761
December	0.085	0.055	3,508,155

The Warrants are listed for trading on the TSXV under the symbol “FHR.WT”. The following table sets out the price range (high and low sales prices) of the Warrants and consolidated volumes traded for the periods indicated (as reported by the TSXV):

Period	High (\$)	Low (\$)	Volume
2025			
January	0.050	0.050	14,000
February	-	-	-
March	0.050	0.050	6,000
April	0.050	0.050	12,000
May	0.050	0.050	12,000
June	-	-	-
July	-	-	-
August	0.050	0.015	201,000
September	-	-	-
October	0.025	0.025	30,000
November	0.025	0.025	25,000
December	0.020	0.010	1,310,000

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities convertible into Common Shares within the 12-month period ended December 31, 2025.

Date of Issuance	Securities	Number of Common Shares Issued/Issuable or Aggregate Amount	Price/Exercise Price per Security (\$)
July 22, 2025	Common Shares	1,000,000	0.20
July 22, 2025	Common Shares	5,000,000	0.20
December 31, 2025	Reserved Shares ^(1,2)	4,843,232	0.05

Notes:

- (1) These securities are subject to contractual resale restrictions for a period of 180 days from date of issuance.
- (2) These securities were reserved at December 31, 2025 as part of a shares for debt transaction pending final approval by the applicable regulators. This approval was granted on February 4, 2026 and the shares were issued at such time.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes the Company's securities that were held in escrow or subject to a contractual restriction on transfer as at December 31, 2025:

Designation of Class	Number of Securities held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class
Common Shares ⁽¹⁾⁽²⁾	4,843,232 ^(1,2)	7.28%

Notes:

- (1) These securities are subject to contractual resale restrictions for a period of 180 days from date of issuance.
- (2) These securities were reserved at December 31, 2025 as part of a shares for debt transaction pending final approval by the applicable regulators. This approval was granted on February 4, 2026 and the shares were issued at such time.

DIRECTORS AND OFFICERS

The following table lists the name, province and country of residence and principal occupation for the last five years of each of the directors and executive officers of Fiddlehead as of the date hereof. Each director of the Company shall hold office until the next annual meeting of shareholders or until their successors are duly elected or appointed pursuant to the Company's by-laws, unless the director's office is earlier vacated.

Name, Province and Country of Residence	Position Held	Principal Occupation for the Last Five Years	Director Since	Common Share Ownership ⁽¹⁾
Brent Osmond <i>Alberta, Canada</i>	CEO & Director	CEO and Chairman of Fiddlehead since September 5, 2023. Prior thereto, President, CEO and Director of Clover Oil & Gas, Inc. from October 2018 to May 2021 as well as CFO of Denvr Dataworks from October 2021 to June 2022.	September 5, 2023	4,578,283 (6.42 %)
David Ritter ⁽³⁾⁽⁴⁾ <i>Texas, USA</i>	Director	Mr. Ritter served as President of Haymarket Group, Senior External Advisor with McKinsey and Co., Director with Investor-Keep, Inc. and Chair of the Board of Clover Oil & Gas, Inc.	July 31, 2024	125,000 (0.18%)
Dale Miller ⁽³⁾⁽⁴⁾ <i>Alberta, Canada</i>	Director	Mr. Miller serves as Executive Chairman of Prairie Provident Resources Canada Ltd. and a Director of Yangarra Resources Ltd. and has run his own consulting business, Dark Horse Energy Consultants, since 2017.	July 31, 2024	500,000 (0.70%)
Clifford Neil Smith ⁽²⁾⁽³⁾ <i>Alberta, Canada</i>	Director	Mr. Smith has served as a Director of Southern Energy Corp. since December, 2018 and is a principal at WCF Holding Corp., a private oil and gas company.	July 31, 2024	750,000 (1.05%)
Gregory Turnbull ⁽²⁾⁽⁴⁾ <i>Alberta, Canada</i>	Director	Mr. Turnbull is currently a director of Sleeping Giant and SNDL and is formerly a strategic advisor for Fasken Martineau DuMoulin LLP (Fasken). Prior to joining Fasken, Greg was a long-time partner and managing partner at McCarthy Tétrault LLP.	July 31, 2024	305,027 (0.43%)
Stephanie Bunch ⁽²⁾⁽⁴⁾ <i>Alberta, Canada</i>	Director	Ms. Bunch is a Chartered Professional Accountant with over 30 years of experience in oil & gas, retail, technology and consulting.	July 10, 2025	-
Ronald Hornseth <i>Alberta, Canada</i>	COO	COO of Fiddlehead since May 8, 2024. Prior to Fiddlehead, Mr. Hornseth served in various roles with TransGlobe Energy, now VAALCO Energy Inc., from November 2010 to June 2023.	N/A	250,000 (0.35%)
Bill de Jong <i>Alberta, Canada</i>	Corporate Secretary	Corporate Secretary of Fiddlehead since June 14, 2024. William (Bill) de Jong is a lawyer in the Capital Markets group with international law firm DLA Piper LLP, with a focus on the natural resources and energy sectors.	N/A	-

Notes:

- (1) Represents Common Shares beneficially owned, controlled or directed (directly or indirectly) by the director or officer as of the date hereof based on information provided by such individuals. Percentages based on 71,364,113 Common Shares issued and outstanding as of the date hereof.
- (2) Member of the Audit Committee.
- (3) Member of the Reserves Committee.
- (4) Member of the Compensation Committee.

Between annual meetings, the Board has the authority to appoint one or more additional directors to fill casual vacancies until the next annual meeting.

Securities of Directors and Executive Officers

As at the date hereof, the directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 6,084,977 Common Shares, representing approximately 8.53% of the issued and outstanding Common Shares. The information as to the number of Common Shares beneficially owned, or controlled or directed, not being within the knowledge of the Company, has been furnished by the respective directors and officers of the Company individually.

Cease Trade Orders

To the knowledge of management no director or executive officer as at the date hereof, is or was within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any Company (including the Company), that (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means: (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant Company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

To the knowledge of management no director, executive officer of the Company or a Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any Company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of management no director, executive officer or Shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company (i) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) has incurred any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company may be subject to in connection with the operations of the Company. In particular, certain directors and officers of the Company and its subsidiaries are associated with other reporting issuers or other companies, which may give rise to conflicts of interest with the Company. As well, Bill de Jong, Corporate Secretary of the Company, is a Partner with DLA Piper (Canada) LLP, which provides legal services to the Company on a fee for services basis.

In accordance with the applicable corporate and securities legislation, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Certain of the directors and each of the executive officers of the Company have either other employment or other business or time restrictions placed on them and accordingly, these directors and officers of the Company will only be able to devote part of their time to the affairs of the Company. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the applicable corporate law.

RISK FACTORS

The Company is subject to both risks that directly affect Fiddlehead's business and operations, as well as indirect risks that impact third parties or the industry generally. The holding of securities in the Company should be considered highly speculative due to the nature of the Company's business and the present stage of our development. Investors should carefully consider the risk factors set out below and consider all other information contained herein and in Fiddlehead's other public filings before making an investment decision. The following is a summary of certain risk factors relating to the activities of the Company and the ownership of the Company's securities, which should be carefully considered before making an investment decision relating to the Company's securities.

The risks set out below are not exhaustive and should not be taken as a complete summary or description of all the risks associated with Fiddlehead's business, the business of third parties with whom Fiddlehead conducts business and the oil and natural gas business generally. If any event arising from the risk factors set forth below occurs, Fiddlehead's business, prospects, financial condition, results of operation or cash flows and in some cases, our reputation, could be materially adversely affected.

Oil and Gas — Exploration, Development, Production and Operational Risks

Prices, Markets and Marketing

Numerous factors beyond the Company's control do, and will continue to, affect the marketability and price of oil and natural gas acquired, produced, or discovered by the Company. The Company's ability to market its oil, natural gas and NGLs may depend upon its ability to acquire capacity on pipelines that deliver natural gas to commercial markets or contract for the delivery of crude oil by rail. Deliverability uncertainties related to the distance the Company's reserves are from pipelines, railway lines, processing and storage facilities; operational problems affecting pipelines, railway lines and facilities; and government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business may also affect the Company.

Prices for oil, natural gas and NGLs are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil, natural gas and NGLs, market uncertainty and a variety of additional factors beyond the control of the Company. These factors include economic and political conditions in the United States, Canada, Europe, China and emerging markets, the actions of the Organization of Petroleum Exporting Countries ("OPEC") and other oil and gas exporting nations, governmental regulation, political stability in the Middle East, Northern Africa and elsewhere, the foreign supply and demand of oil and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for oil, natural gas and NGLs are also subject to the availability of foreign markets and the Company's ability to access such markets. A material decline in prices could result in a

reduction of the Company's net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and associated NGLs and a reduction in the volumes and the value of the Company's reserves. The Company might also elect not to produce from certain wells at lower prices.

All these factors could result in a material decrease in the Company's expected net production revenue and a reduction in its oil and natural gas production, development and exploration activities. Any substantial and extended decline in the price of oil, natural gas and NGLs would have an adverse effect on the Company's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Crude oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, shale oil production in the United States, OPEC actions, political uncertainties, sanctions imposed on certain oil producing nations by other countries, the ongoing Israeli-Hamas and Russian-Ukrainian conflicts, the impact of public health crises, global crude oil, NGL and natural gas inventory levels, weather conditions affecting supply and demand, overall domestic and global economic conditions, currency fluctuations, social attitudes or policies affecting energy consumption and energy supply, domestic and foreign governmental regulations, including environmental regulations, climate change regulations and taxation, the effects of energy conservatism efforts and GHG reduction measures, the price, availability and acceptance of alternative energies, including renewable energy, and ongoing credit and liquidity concerns. Prices for crude oil and natural gas are also subject to the availability of foreign markets and the ability to access such markets. A material decline in prices or a continued low crude oil and natural gas price environment could result in a reduction of the Company's anticipated production revenue. Volatile crude oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for crude oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on the value or terms of such arrangements. Price volatility also makes it difficult to budget for and project the return on potential acquisitions, divestitures or leasing opportunities.

Exploration, Development and Production Risks

Oil and natural gas operations inherently involve numerous risks that may not be mitigated by experience, knowledge, or careful evaluation. The long-term commercial success of the Company is contingent upon its ability to discover, acquire, develop, and commercially produce oil and natural gas reserves. Without the continuous addition of new reserves, the Company's existing reserves and their production will inevitably decline over time. Future increases in the Company's reserves will depend on its ability to explore and develop its current properties and to identify and acquire suitable producing properties or prospects. There is no guarantee that the Company will be able to continue to find satisfactory properties to acquire or participate in. Furthermore, the Company's management may determine that prevailing market conditions, acquisition terms, or pricing conditions render potential acquisitions or participations uneconomical. There is also no assurance that the Company will discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration may involve unprofitable efforts, including dry wells or wells that, while productive, do not yield sufficient petroleum substances to return a profit after accounting for drilling, completion (including hydraulic fracturing), operating, and other costs. The completion of a well does not ensure a profit on the investment or the recovery of drilling, completion, and operating costs.

Drilling hazards, environmental damage, and various field operating conditions could significantly increase operational costs and adversely affect production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents, well shut-ins due to extreme weather conditions, insufficient storage or transportation capacity, or geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively impact revenue and cash flow to varying degrees.

Oil and natural gas exploration, development, and production operations are subject to all the risks and hazards typically associated with such activities, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills, and other environmental hazards. These risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment, and personal injury. In particular, the Company may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life, or damage to property and may necessitate the evacuation of populated areas, all of which could result in liability to the Company.

Oil and natural gas production operations are also subject to risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs, and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations, and prospects.

As is standard industry practice, the Company is not fully insured against all risks, nor are all risks insurable. Although the Company maintains liability insurance in an amount it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, the Company could incur significant costs.

Exploring and developing natural resource projects carries a high potential for various risks. Additionally, few exploration projects successfully achieve development due to factors that cannot be predicted or foreseen. Moreover, even a single such factor may render a project economically unviable, making it neither feasible nor practical to proceed. Natural resource exploration involves many risks, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to the exploration, development, and production of natural resources, any of which could result in work stoppages, damage to property, and possible environmental damage. If any of the Company's exploration programmes are successful, there is a degree of uncertainty attributable to the calculation of resources and corresponding grades and in the analysis of the economic viability of future development and mineral extraction. Until actually extracted and processed, the quantity of reserves and grade must be considered as estimates only. In addition, the quantity of reserves and resources may vary depending on commodity prices and various technical and economic assumptions. Any material change in the quantity of reserves, grade, or recovery ratio may affect the economic viability of the Company's properties. Furthermore, there can be no assurance that results obtained in pilot plants will be duplicated in larger scale tests under on-site conditions or during production. The Company closely monitors its activities and those factors which could impact them, and employs experienced consulting, engineering, and legal advisors to assist in its risk management reviews where deemed necessary.

Adverse Economic Conditions

The demand for energy, including crude oil, liquids, and natural gas, is intrinsically linked to broad-based economic activities. A slowdown in economic growth, an economic downturn or recession, or other adverse economic or political developments in the United States, Europe, the Middle East, or Asia could significantly impact global financial markets and commodity prices. Additionally, geopolitical instability, the escalation and expansion of conflicts in the Middle East, Europe, and the South China Sea region, and the occurrence or threat of terrorist attacks in the United States or other countries could involve other nations, potentially exacerbating existing tensions between the United States, China, and Russia, thereby adversely affecting the global economy, financial markets, and shipping and supply chains.

Global or national health concerns, including the outbreak of pandemics or contagious diseases, may adversely affect Fiddlehead by (i) reducing global economic activity, thereby resulting in lower demand for crude oil, liquids, and natural gas, (ii) impairing its supply chain, for example, by limiting the manufacturing of materials or the supply of goods and services used in Fiddlehead's operations, and (iii) affecting the health of its workforce, rendering employees unable to work or travel. These and other factors disclosed elsewhere in this MD&A that generally affect the global economy and the supply and demand for crude oil, liquids, and natural gas, and Fiddlehead's business and industry, could ultimately have an adverse impact on Fiddlehead's financial condition, financial performance, and cash flows.

Inflation, Cost Management and Rising Interest Rates

Fiddlehead may encounter significant inflationary pressures, supply chain disruptions, increased costs of equipment, rising supply costs and commodity prices, as well as heightened government intervention through stimulus spending and additional regulations. These factors could lead to increased operating costs for Fiddlehead. The Company's inability to effectively manage these costs may adversely affect project returns and future development decisions, potentially having a material adverse impact on its financial performance and cash flows.

The cost or availability of crude oil and natural gas field equipment may negatively impact Fiddlehead's ability to undertake exploration, development, and construction projects. The crude oil and natural gas industry is inherently cyclical and subject to equipment and service shortages, including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects, and construction materials in general. These materials and services may not be available at reasonable prices when required. Failure to secure the necessary services and equipment for Fiddlehead's operations at the expected price, within the expected timeline, or at all, may adversely affect the company's financial performance and cash flows.

Rising interest rates may also have a significant impact on Fiddlehead's financial performance. Higher interest rates can increase the cost of borrowing, which may lead to higher financing costs for the company's projects. This could result in reduced profitability and cash flows, as well as potentially limiting the Company's ability to undertake new projects or expand existing operations. Additionally, rising interest rates may affect the overall economic environment, potentially leading to decreased demand for crude oil and natural gas, which could further impact Fiddlehead's financial performance.

Gathering and Processing Facilities and Pipeline Systems

The Company relies on gathering and processing facilities and pipeline systems for the delivery of its products. The volume of oil and natural gas that the Company can produce and sell is contingent upon the accessibility, availability, proximity, and capacity of these facilities and systems. Any lack of available capacity in these gathering and processing facilities and pipeline systems could impede the Company's ability to fully take advantage of its production or could lead to a reduction in the price received for its products. The ongoing shortage of firm pipeline capacity continues to impact the oil and natural gas industry, limiting the ability to transport produced oil and gas to market. Additionally, the pro-rationing of capacity on inter-provincial pipeline systems continues to affect the export of oil and natural gas. Unexpected shutdowns or curtailments of pipeline capacity for maintenance, integrity work, or regulatory actions could also impact the Company's production, operations, and financial results. Consequently, producers are increasingly resorting to rail as an alternative means of transportation. In recent years, the volume of crude oil transported by rail in North America has risen significantly. Any substantial changes in market conditions or other factors affecting these infrastructure systems and facilities, as well as any delays or uncertainties in constructing new infrastructure, could adversely affect the Company's business, financial condition, operations, and cash flows. Announcements and actions by the Governments of British Columbia and Alberta regarding the approval of infrastructure projects may continue to escalate, leading to increased challenges for interprovincial and international infrastructure projects.

A portion of the Company's production may, from time to time, be processed through facilities owned by third parties and over which the Company does not have control. These facilities may periodically discontinue or reduce operations due to routine servicing requirements or unexpected events. Such discontinuations or reductions could materially and adversely affect the Company's ability to process its production and deliver it for sale. Midstream and pipeline companies may take actions to maximise their return on investment, which may adversely affect producers and shippers, particularly when combined with a regulatory framework that may not always align with the interests of specific shippers.

Pipeline Systems

The interruption of firm pipeline transportation has and may continue to affect the oil and natural gas industry and limit the ability to fully produce and market oil and natural gas production. Additionally, the pro-rationing of capacity on inter-provincial pipeline systems may hinder the Company's ability to export oil and natural gas. Unanticipated

shutdowns or capacity curtailments of pipelines due to maintenance, integrity work, or regulatory actions may also adversely affect the Company's production, operations, and financial performance. The Company's production could be adversely impacted by both firm and interruptible transportation service curtailments on TransCanada's NGTL and Canadian Mainline systems.

Reserves Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGLs reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this document are estimates only. Generally, estimates of economically recoverable oil, natural gas and NGLs reserves and the future net cash flows from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from the properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil, natural gas and NGLs;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil, natural gas and NGLs reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are often estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves. Such variations could be material.

In accordance with applicable securities laws, the Company's independent reserves evaluator has used forecast prices and costs in estimating the reserves and future net cash flows as summarized herein. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil, natural gas and NGLs, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived from the Company's oil, natural gas and NGLs reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities the Company intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation is effective as of a specific effective date and, except as may be specifically stated, has not been updated and therefore does not reflect changes in the Company's reserves since that date.

Hedging

From time to time, the Company may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline, or to diversify commodity price risk to multiple markets. However, to the extent that the Company engages in price risk management activities to protect itself from commodity price declines or to diversify commodity price risk, it may also be prevented from realizing the full benefits

of price increases above the levels of the derivative instruments used to manage price risk. In addition, the Company's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil and natural gas prices.

Similarly, from time to time the Company may enter into agreements to fix the exchange rate of Canadian to United States dollars or other currencies in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to other currencies. However, if the Canadian dollar declines in value compared to such fixed currencies, the Company will not benefit from the fluctuating exchange rate.

Competition

The crude oil and natural gas industry is competitive in all of its phases. Fiddlehead competes with numerous other entities in the exploration for, and the development, production, and marketing of, crude oil and liquids and natural gas. Fiddlehead's competitors include crude oil and natural gas companies that may have substantially greater financial resources, staff, and facilities than those of Fiddlehead and as such, Fiddlehead may be at a competitive disadvantage in the identification, acquisition and development of assets that complement Fiddlehead's operations. Some of these companies not only explore for, develop and produce crude oil and liquids and natural gas, but also carry on refining operations and market third-party crude oil and liquids and natural gas. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than Fiddlehead and less volatility in their earnings. Fiddlehead's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of crude oil and liquids and natural gas include price, process, methods and reliability of delivery and storage. To a lesser extent, Fiddlehead also faces competition from companies that supply alternative sources of energy, such as wind or solar power. Other factors that could affect competition in the marketplace include additional discoveries of hydrocarbon reserves by Fiddlehead's competitors, the cost of production, and political and economic factors and other factors outside of Fiddlehead's control.

The crude oil and natural gas industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies that may increase the viability of reserves or reduce production costs. Other companies may have greater financial, technical, and personnel resources that allow them to implement and benefit from such technological advantages. There can be no assurance that Fiddlehead will be able to respond to such competitive pressures and implement such technologies on a timely basis, or at an acceptable cost. If Fiddlehead does implement such technologies, there is no assurance that Fiddlehead will do so successfully. One or more of the technologies currently utilized by Fiddlehead or implemented in the future may become obsolete. If Fiddlehead is unable to utilize the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its business, financial condition, and results of operations could also be adversely affected in a material way.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on the spill, release or emission of various substances produced in association with oil and gas industry operations. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation of well and facility sites.

Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge. Although the Company believes that it will be in material compliance with current applicable environmental legislation, no assurance can be given that environmental compliance requirements will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Carbon Pricing Risk

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. In Canada, the federal and certain provincial governments have implemented legislation aimed at incentivizing the use of alternatives fuels and in turn reducing carbon emissions. The taxes placed on carbon emissions may have the effect of decreasing the demand for oil and natural gas products and at the same time, increasing the Company's operating expenses, each of which may have a material adverse effect on the Company's profitability and financial condition. Further, the imposition of carbon taxes puts the Company at a disadvantage with its counterparts who operate in jurisdictions where there are less costly carbon regulations.

Regulatory

Various levels of governments impose extensive controls and regulations on oil and natural gas operations (including exploration, development, production, pricing, marketing and transportation). Governments may regulate or intervene with respect to exploration and production activities, prices, taxes, royalties and the exportation of oil and natural gas. Amendments to these controls and regulations may occur from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for crude oil and natural gas and increase the Company's costs, either of which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Recently, the federal government and certain provincial governments have taken steps to initiate protocols and regulations to limit the release of methane from oil and gas operations. Such draft regulations and protocols may require additional expenditures or otherwise negatively impact the Company's operations, which may affect the Company's profitability.

In order to conduct oil and natural gas operations, the Company will require regulatory permits, licenses, registrations, approvals and authorizations from various governmental authorities at the municipal, provincial and federal level. There can be no assurance that the Company will be able to obtain all of the permits, licenses, registrations, approvals and authorizations that may be required to conduct operations that it may wish to undertake. In addition, certain federal legislation such as the *Competition Act* and the *Investment Canada Act* could negatively affect the Company's business, financial condition and the market value of its Common Shares or its assets, particularly when undertaking, or attempting to undertake, acquisition or disposition activity.

Hydraulic Fracturing

Hydraulic fracturing involves the injection of water, sand, and small amounts of additives under high pressure into tight rock formations to stimulate the production of crude oil and liquids and natural gas. Any new laws, regulations, or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, and/or third-party or governmental claims, and could increase Fiddlehead's costs of compliance and doing business, as well as delay the development of crude oil and liquids and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of crude oil and liquids and natural gas that Fiddlehead is ultimately able to produce from its reserves.

Water is an essential component of Fiddlehead's drilling and hydraulic fracturing processes. Limitations or restrictions on Fiddlehead's ability to secure sufficient amounts of water (including limitations resulting from natural causes such

as drought), could materially and adversely impact its operations. Severe drought conditions can result in local water authorities taking steps to restrict the use of water in their jurisdiction for drilling and hydraulic fracturing in order to protect the local water supply. If Fiddlehead is unable to obtain water to use in its operations from local sources, it may need to be obtained from new sources and transported to drilling sites, resulting in increased costs. Cost increases could have a material adverse effect on drilling economics resulting in delays or suspensions of drilling, which ultimately would have a detrimental effect on Fiddlehead's financial condition, results of operations, and cash flows.

Fiddlehead must dispose of the fluids produced from crude oil and liquids and natural gas production operations, including produced water, which it does directly or through the use of third-party vendors. The legal requirements related to the disposal of produced water into a non-producing geologic formation by means of underground injection wells are subject to change based on concerns of the public or governmental authorities.

Government authorities may issue orders to temporarily shut down or to curtail the injection depth of existing wells in the vicinity of seismic events. Another consequence of seismic events may be lawsuits alleging that disposal well operations have caused damage to neighbouring properties or otherwise violated laws and regulations regarding waste disposal. These developments could result in additional regulation and restrictions on the use of injection wells by Fiddlehead or by commercial disposal well vendors that Fiddlehead may use from time to time to dispose of produced water. Increased regulation and attention given to induced seismicity could also lead to greater opposition, including litigation to limit or prohibit crude oil and natural gas activities utilizing injection wells for produced water disposal. Any one or more of these developments may result in Fiddlehead or its vendors having to limit disposal well volumes, disposal rates, pressures or locations, or require Fiddlehead or its vendors to shut down or curtail the injection of produced water into disposal wells, which events could have a material adverse effect on Fiddlehead's business, financial condition, and results of operations.

Changing Investor Sentiment

A number of factors, including the concerns of the effects of the use of fossil fuels on climate change, concerns of the impact of oil and gas operations on the environment, concerns of environmental damage relating to spills of petroleum products during transportation and concerns of indigenous rights, have affected certain investors' sentiments towards investing in the oil and gas industry. As a result of these concerns, some institutional, retail and public investors have announced that they no longer are willing to fund or invest in oil and gas properties or companies or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Board, management and employees of the Company. Failing to implement the policies and practices as requested by institutional investors may result in such investors reducing their investment in the Company or not investing in the Company at all. Any reduction in the investor base interested or willing to invest in the oil and gas industry and more specifically, the Company, may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Common Shares.

Operational Dependence

Other companies operate some of the assets in which the Company has an interest. The Company has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Company's financial performance. The Company's return on assets operated by others depends upon a number of factors that may be outside of the Company's control, including, but not limited to, the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

In addition, due to the current low and volatile commodity prices, many companies, including companies that may operate some of the assets in which the Company has an interest, may be in financial difficulty, which could impact their ability to fund and pursue capital expenditures, carry out their operations in a safe and effective manner and satisfy regulatory requirements with respect to abandonment and reclamation obligations. If companies that operate some of the assets in which the Company has an interest fail to satisfy regulatory requirements with respect to abandonment and reclamation obligations the Company may be required to satisfy such obligations and to seek

reimbursement from such companies. To the extent that any of such companies go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in such assets being shut-in, the Company potentially becoming subject to additional liabilities relating to such assets and the Company having difficulty collecting revenue due from such operators or recovering amounts owing to the Company from such operators for their share of abandonment and reclamation obligations. Any of these factors could have a material adverse effect on the Company's financial and operational results.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that a defect in the chain of title will not arise. The actual interest of the Company in properties may accordingly vary from the Company's records. If a title defect does exist, it is possible that the Company may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There may be valid challenges to title or legislative changes, which affect the Company's title to the oil and natural gas properties the Company controls that could impair the Company's activities on them and result in a reduction of the revenue received by the Company.

Expiration of Licenses and Leases

The Company's properties are held in the form of licences and leases and working interests in licences and leases. If the Company or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Company's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Cost of New Technologies

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Company. There can be no assurance that the Company will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. If the Company does implement such technologies, there is no assurance that the Company will do so successfully. One or more of the technologies currently utilized by the Company or implemented in the future may become obsolete. In such case, the Company's business, financial condition and results of operations could be affected adversely and materially. If the Company is unable to utilize the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its business, financial condition and results of operations could also be adversely affected in a material way.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas and technological advances in fuel economy and renewable energy generation devices could reduce the demand for oil, natural gas and liquid hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar affect on the demand for oil and gas products. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows by decreasing the Company's profitability, increasing its costs, limiting its access to capital and decreasing the value of its assets.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment (typically leased from third parties) as well as skilled personnel trained to use such equipment in the areas where such activities will be conducted. Demand for such limited equipment and skilled personnel, or access restrictions, may affect the availability of such equipment and skilled personnel to the Company and may delay exploration and development activities.

Seasonality and Extreme Weather Conditions

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Road bans and other restrictions generally result in a reduction of drilling and exploratory activities and may also result in the shut-in of some of the Company's production if not otherwise tied-in. Certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. In addition, extreme cold weather, heavy snowfall and heavy rainfall may restrict the Company's ability to access its properties, cause operational difficulties including damage to machinery or contribute to personnel injury because of dangerous working conditions.

Liability Management

Alberta has developed liability management programs designed to prevent taxpayers from incurring costs associated with suspension, abandonment, remediation and reclamation of wells, facilities and pipelines in the event that a licensee or permit holder is unable to satisfy its regulatory obligations. These programs involve an assessment of the ratio of a licensee's deemed assets to deemed liabilities. If a licensee's deemed liabilities exceed its deemed assets, a security deposit is generally required. Changes to the required ratio of the Company's deemed assets to deemed liabilities or other changes to the requirements of liability management programs may result in significant increases to the Company's compliance obligations. In addition, the liability management regime may prevent or interfere with the Company's ability to acquire or dispose of assets, as both the vendor and the purchaser of oil and gas assets must be in compliance with the liability management programs (both before and after the transfer of the assets) for the applicable regulatory agency to allow for the transfer of such assets.

In *Orphan Well Association v Grant Thornton Limited*, the Court of Queen's Bench of Alberta found that there was an operational conflict between the abandonment and reclamation provisions of the provincial OGCA, including the AB LLR Program, and the federal *Bankruptcy and Insolvency Act* (the "BIA"). This ruling meant that receivers and trustees of insolvent entities have the right to renounce assets within insolvency proceedings, and was affirmed by a majority of the Alberta Court of Appeal. On January 31, 2019, the Supreme Court of Canada overturned the lower courts' decisions, holding that there is no operational conflict between the abandonment and reclamation provisions contained in the provincial OGCA, the liability management regime administered by the AER and the federal bankruptcy and insolvency regime. As a result, receivers and trustees can no longer avoid the AER's legislated authority to impose abandonment orders against licensees or to require a licensee to pay a security deposit before approving a transfer when such a licensee is subject to formal insolvency proceedings. This means that insolvent estates can no longer disclaim assets of a bankrupt licensee that have reached the end of their productive lives and represent a liability and deal with the company's valuable assets for the benefit of the company's creditors, without first satisfying abandonment and reclamation obligations. See "*General Development of the Business — Regulation*".

Going Concern

The Company's financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business as they become due. The Company's credit facility with its lender provides for a full repayment of outstanding interest and principal on December 31, 2026. The Company's ability to continue as a going concern is dependent on its ability to fulfill this obligation. To meet its December 31, 2026, debt repayment obligation, the Company will have to generate increased cash flows from

operations, secure additional funding from debt or equity financings or make other arrangements which may or may not be available. There can be no assurance one or more of these alternatives will be successful.

These considerations include material uncertainties which cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Material Contracts

In support of the Acquisition, the Company entered into the Transition Services Agreement. Under the terms of the Transition Services Agreement, if the title transfer does not occur within 90 days after closing, the Vendor has the right to the reconveyance of the asset. This would effectively "unwind" the acquisition. If the Vendor exercised this reconveyance option, the Company would receive net proceeds of the "unwinding" whereby the Company receives a return of the consideration paid (net of adjustments and the payment of a break fee) and the Asset is returned to the Vendor. The Company would then apply the proceeds of the unwind to satisfy all obligations to the lender. As a result, the Company would have no cash generating assets and surplus cash after the payment of its debts. As of the date of these financial statements, the Vendor has agreed to an extension of the Transition Services Agreement to May 31, 2025. However, there can be no assurance that this reconveyance option will not be exercised by the Vendor, which will compromise the liquidity of the Company.

The Transition Services Agreement may alternatively be terminated by the completion of a license transfer of the assets. Should the Company be unsuccessful in achieving license transfer, it will continue to account for the interest as a joint operation unless the Vendor decides to exercise its reconveyance rights under the Transition Services Agreement. The Company has considered the possibility of reconveyance in assessing impairment of its interest. The alternative considered to this treatment would be to deem that the Company paid a deposit on its acquisition and to account for earnings from the property as an adjustment to the purchase price which would have resulted in the Company not presenting revenues and expenses related to its interest. Alternatively, if the license transfer is completed, the Company may be required by the AER or another governmental authority to make a deposit, to provide any undertakings, information or other documentation or to take any action as a condition of or a prerequisite for the approval of the license transfer. Additionally, the AER or another governmental authority may require the Company to prove their financial capacity or operational ability in order to obtain the approval of the license transfer. These risks may impair the Company's financial condition and limit the Company's ability to obtain the Assets free of any other encumbrances.

General Risks

Credit Facility Risk

The amount authorized under the Credit Facility is a fixed amount that was determined by the lenders having regard to the Company's reserves with such amount to be re-determined semi-annually. The Company is required to comply with covenants under the Credit Facility, which, from time to time, either affect the availability, or price, of additional funding, and in the event that Fiddlehead does not comply therewith, our access to capital could be restricted or repayment could be required. The failure of the Company to comply with such covenants, which may be affected by events beyond Fiddlehead's control, could result in the default under the Credit Facility, which could result in the Company being required to repay any amounts owing thereunder. Even if Fiddlehead is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Company. If Fiddlehead is unable to repay amounts owing, the lenders under the Credit Facility could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of the Company's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. In addition, the Credit Facility may, from time to time, impose operating and financial restrictions on Fiddlehead that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to the Company's securities, incurring of additional indebtedness, provision of guarantees

and other financial assistance, the assumption or borrowing of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Nature of Business

An investment in Fiddlehead should be considered highly speculative due to the nature of the Company's involvement in the exploration for, and the acquisition, production and marketing of, oil and natural gas reserves. Oil and gas development involves many risks, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Fiddlehead.

Potential Acquisition, Disposition and Investment Opportunities

In the normal course, the Company is expected to regularly evaluate and consider, and may be engaged in discussions and negotiations with respect to, potential acquisition, disposition and investment opportunities that it believes may assist it in achieving its business and growth plans, and in connection therewith it may at any time have outstanding non-binding letters of intent or conditional agreements which individually or together may be material. There can be no assurance that any such discussions, negotiations, non-binding letters of intent or conditional agreements will result in a definitive agreement with respect to an acquisition or investment, and, if they do, what the terms or timing of such would be or that such acquisition or investment will be completed by the Company. If the Company does complete any such transaction, it cannot assure investors that the transaction will ultimately strengthen the Company's financial or operating results, prospects or competitive position or that it will not be viewed negatively by customers, securities analysts or investors. Such transactions may also involve significant commitments of the Company's financial and other resources including the completion of additional financings of equity or debt. Any such activity may not be successful in generating revenue, income or other returns to the Company and the resources committed to such activities will not be available to the Company for other purposes.

Future Acquisitions

The Company may seek to expand through future acquisitions; however, there can be no assurance that the Company will locate attractive acquisition candidates, or that the Company will be able to acquire such candidates on economically acceptable terms, if at all, or that the Company will not be restricted from completing acquisitions pursuant to the terms and conditions from time to time of arrangements with third parties, such as the Company's creditors. Future acquisitions may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business or may involve significant issuances of equity or debt. Future acquisitions may also require substantial management time commitments, and the negotiation of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting Management and employees' attention away from day-to-day operations.

Any future acquisition involve potential risks, including, among other things: (i) the possibility that the Company, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Company may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) an inability to successfully integrate any operation the Company acquired or acquires, as applicable; (v) an inability to recruit, hire, train or retain qualified personnel to manage and operate the operations acquired; (vi) the potential disruption of the ongoing business and the distraction of Management from its day-to-day operations; and (vii) the loss of key employees and/or key relationships at the acquired business. In addition, the Company competes with other energy companies, which may have greater financial and other resources for new business. Future acquisition candidates may have liabilities or adverse operating

issues that the Company failed or fails to discover through due diligence prior to the acquisition. If the Company consummates any future acquisitions with unanticipated liabilities or adverse operating issues, or if acquisition-related expectations are not met, the Company's business, results of operations, cash flows, financial condition or prospects may be materially adversely affected. The potential impairment or complete write-off of goodwill and other intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet.

In addition, acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas, future operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the Company. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated. Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Company's title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated. Such deficiencies or defects could adversely affect the value of the assets acquired and the Company's securities.

Political Uncertainty

Political, legal, and regulatory changes in Canada, the US, and other countries can impact Fiddlehead's operations and business performance. In 2024, there were national elections in several of the world's largest economies, including Japan, India, the European Union, France, the United Kingdom, Mexico, and the United States. Additional elections will take place in 2025, including within Canada and Germany. These elections have brought, or may bring, new political leadership with substantially different political, social, and economic policy priorities than their predecessors on both domestic and foreign policy matters, including the environment, trade and tariffs, and energy.

These political shifts may create uncertainty about future government policies, regulations, and trade relationships between major global economies which could result in broad-based volatility and decreased investor confidence. Adverse changes to the trade relations between the governments of the United States, Canada, and Mexico on matters related to energy could have a material adverse effect on Fiddlehead and its business considering the physical and economic integration of North American energy markets.

Political risks faced by Fiddlehead that could impact its operations or planned projects include:

- changes in government policy and regulations;
- new interpretations of existing laws;
- implementation of new, or expansion of existing, tariffs on exported and/or imported products;
- opposition from government or other political actors to industrial activities;
- extended regulatory review periods and third-party consultation requirements;
- delays or denials of necessary permits and licenses; and
- disruption of critical third-party infrastructure and supply chains.

Changing environmental regulations pose additional challenges. Changes in assessment processes and expanding stakeholder consultation requirements and expectations, including with Indigenous stakeholders, may extend project timelines, increase compliance costs, increase project execution risk, and limit business opportunities.

In recent years there has been an increase in both federal and provincial government involvement in Canadian infrastructure projects, creating investment uncertainty.

Other potential governmental impacts include:

- tax increases;
- higher government royalty rates, including possible retroactive claims;
- new efficiency standards;
- alternative fuel mandates;
- tax and other subsidies for competing energy sources; and
- government support for research into, and mandated uses of, alternative energy technologies.

These government initiatives, particularly those promoting emissions reductions and alternative energy sources, could reduce demand for Fiddlehead's products.

Regulatory Uncertainty

Changes in government, government policy, or regulations, changes in law or interpretation of settled law, third-party opposition to industrial activity generally or projects specifically, and the duration of regulatory reviews could impact Fiddlehead's existing operations and planned projects. This includes actions by regulators or other political actors to delay or deny necessary licences and permits for Fiddlehead's activities or restrict the operation of third-party infrastructure that Fiddlehead relies on. Additionally, changes in environmental regulations, assessment processes or other laws, and increasing and expanding stakeholder consultation (including with Indigenous stakeholders), may increase the cost of compliance or reduce or delay available business opportunities and adversely impact Fiddlehead's results.

Federal and certain provincial governments have been active in recent years in their support for and opposition to major infrastructure projects in Canada leading to investment uncertainty, increased awareness of, and challenges to interprovincial and international infrastructure projects. For example, the Canadian federal government has enacted a number of laws that have been challenged by provincial governments as exceeding the federal government's powers under Canadian constitutional law and interfering with provincial areas of jurisdiction. The enactment of the *Canadian Energy Regulator Act* and the IAA by the federal government created additional uncertainty as they appeared to grant broad discretion to Canada to veto infrastructure projects (including infrastructure projects under provincial jurisdiction) based on broad and undefined criteria, such as sustainability. In 2023, the Supreme Court of Canada found that the IAA was unconstitutional largely on the basis that it represented significant federal overreach into provincial affairs.

In response to the Supreme Court of Canada's decision, Parliament made certain "surgical amendments" to the IAA in June 2024. It remains uncertain whether these minimal amendments are sufficient to address the concerns of the Court. On November 20, 2024, the Province of Alberta filed a reference application with the Alberta Court of Appeal asking again whether the amended IAA is constitutional. A federal election will occur in Canada no later than October 2025. A new government may further amend or repeal and replace this controversial legislation.

Though Fiddlehead does not typically own, operate, permit, or construct projects which would appear to fall under the scope of the IAA, aspects of Fiddlehead's crude oil and gas natural operations may rely on these projects being owned, operated, permitted, and constructed by others

Other government and political factors that could adversely affect Fiddlehead's financial results include increases in taxes or government royalty rates (including retroactive claims) and changes in trade policies and agreements. Further, the adoption of regulations mandating efficiency standards, and the use of alternative fuels or uncompetitive fuel components could affect Fiddlehead's operations. Many governments are providing tax advantages and other subsidies to support alternative energy sources or are mandating the use of specific fuels or technologies. Governments and others are also promoting research into new technologies to reduce the cost and increase the scalability of alternative energy sources, and the success of these initiatives may decrease demand for Fiddlehead's products.

Credit Facility Arrangements

The Company currently has a credit facility and the amount authorized thereunder is dependent on a reserves-based lending formula. The Company is required to comply with covenants under its credit facility which may, in certain

cases, include certain financial ratio tests, which from time to time either affect the availability, or price, of additional funding and in the event that the Company does not comply with these covenants, the Company's access to capital could be restricted or repayment could be required. Events beyond the Company's control may contribute to the failure of the Company to comply with such covenants. A failure to comply with covenants could result in default under the Company's credit facility, which could result in the Company being required to repay amounts owing thereunder. The acceleration of the Company's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the Company's credit facility may impose operating and financial restrictions on the Company that could include restrictions on, the payment of dividends, repurchasing or making other distributions with respect to the Company's securities, incurring additional indebtedness, providing guarantees, the assumption of loans, making capital expenditures, entering into amalgamations, mergers, take-over bids or disposing of assets, among others.

The Company's lenders use the Company's reserves, commodity prices, applicable discount rate and other factors to periodically determine the Company's borrowing base. Commodity prices remain volatile as a result of various factors including geopolitical factors, actions taken to limit OPEC and non-OPEC production and increasing production by US shale producers. Depressed commodity prices could reduce the Company's borrowing base, reducing the funds available to the Company under the credit facility. Further, this could result in the requirement to repay a portion, or all, of the Company's indebtedness.

If the Company's lenders require repayment of all or portion of the amounts outstanding under its credit facilities for any reason, including for a default of a covenant or the reduction of a borrowing base, there is no certainty that the Company would be in a position to make such repayment. Even if the Company is able to obtain new financing in order to make any required repayment under its credit facilities, it may not be on commercially reasonable terms or terms that are acceptable to the Company. If the Company is unable to repay amounts owing under credit facilities, the lenders under the credit facilities could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness.

Unless an event of default occurred such as a covenant breach, the lender would not be able to call the term loan until the next renewal period.

Forward-Looking Information

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking information, and in particular, the guidance provided under "*General Development of the Business*". By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumption and uncertainties are found under "*Forward-Looking Statements*".

Substantial Capital Requirements

The Company anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil, natural gas and NGLs reserves in the future. As future capital expenditures will be financed out of cash generated from operations, borrowings and possible future equity sales, the Company's ability to do so is dependent on, among other factors:

- the overall state of the capital markets;
- the Company's credit rating (if applicable);
- commodity prices;
- interest rates;
- royalty rates;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the energy industry and the Company's securities in particular.

Further, if the Company's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. The Company may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business financial condition, results of operations and prospects.

Additional Funding Requirements

The Company's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times and from time to time, the Company may require additional financing in order to carry out its oil and natural gas acquisition, exploration and development activities. Failure to obtain financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. Due to the conditions in the oil and gas industry and/or global economic and political volatility, the Company may from time to time have restricted access to capital and increased borrowing costs. The current conditions in the oil and gas industry have negatively impacted the ability of oil and gas companies to access additional financing.

As a result of global economic and political volatility, the Company may from time to time have restricted access to capital and increased borrowing costs. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Company's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Company's ability to expend the necessary capital to replace its reserves or to maintain its production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Company's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of the Company's petroleum properties may require additional financing and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Alternatively, any available financing may be highly dilutive to existing shareholders. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay in development or production on the Company's properties.

Project Risks

The Company manages a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost overruns could make a project uneconomic. The Company's ability to execute projects and market oil, natural gas and NGLs, depends upon numerous factors beyond the Company's control, including (as applicable):

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the availability of, and the ability to acquire, water supplies needed for drilling and hydraulic fracturing, or the Company's ability to dispose of water used or removed from strata at a reasonable cost and in accordance with applicable environmental regulations;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- regulatory changes;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Company could be unable to execute projects on time, on budget, or at all and may be unable to market the oil and natural gas that it produces effectively.

Royalty Regimes

There can be no assurance that the governments in the jurisdictions in which the Company has assets will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Company's projects. An increase in royalties would reduce the Company's earnings and could make future capital investments, or the Company's operations, less economic. On January 29, 2016, the Government of Alberta adopted a new royalty regime which took effect on January 1, 2017.

International Developments and Geopolitical Risks

Fiddlehead is exposed to financial and operational risks arising from uncertain international and regional relations and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and the international responses thereto. Such events have historically caused, and may in the future cause, uncertainty and volatility in global energy and financial markets and heightened cyber security risks. Current conflicts and developments that may present risks to the Company include the conflicts between Russia and Ukraine and between Israel and Palestine, wider unrest in the Middle East (including the escalating conflict involving Iran described below) and sanctions and political developments affecting other energy-producing jurisdictions such as Venezuela. The outcomes of these conflicts are uncertain and are likely to have wide-ranging consequences for regional stability and the world economy. Financial and trade sanctions imposed by countries such as Canada and the United States in response to such conflicts may have far-reaching effects on the global economy, and disruption to oil and natural gas supplies, or to trade routes, could cause material worldwide supply shortages and significant price impacts. Resulting energy shortages and elevated commodity prices could materially harm the world economy and prompt countries and companies to re-evaluate their supply chains and energy security strategies. The extent and duration of such conflicts cannot be reliably predicted and their effects may magnify other risks faced by the Company, including those relating to commodity price volatility and global financial and economic conditions, with unforeseeable consequences for the Company, its stakeholders and the counterparties on which it relies.

On February 28, 2026, the United States and Israel initiated a series of coordinated, large-scale strikes targeting the leadership of the Islamic Republic of Iran, its military and related infrastructure. The Iranian military has responded with missile and drone attacks on Israeli targets, on United States military targets in the Middle East and on neighbouring countries in the region, and has attacked vessels in the Persian Gulf and restricted marine traffic through the Strait of Hormuz. The resulting inability to transit the Strait of Hormuz has interrupted the flow of oil and LNG from key OPEC states in the Persian Gulf and caused a material change in global oil and LNG prices. Any escalation, prolongation or regional expansion of the conflict that further reduces global commodity supply may drive commodity prices higher, while any resolution, resumption of shipments through the Strait of Hormuz or development of alternative supply routes may drive prices lower. Either outcome, and the associated volatility, could have a material adverse effect on the Company.

Following the 2024 United States presidential election and the resulting shift in the United States political agenda, there is uncertainty as to the position the United States will take on world affairs and trade relations, which may lead to legislative and regulatory changes adverse to the Company. In particular, there is ongoing uncertainty regarding threatened United States tariffs on exports from Canada, which could extend to crude oil and related products. A significant portion of the Company's production is exported to the United States, and the implementation of new United States legislative or regulatory measures, together with any retaliatory Canadian measures, could impose additional costs on the Company, reduce United States demand or pricing for the Company's production, or otherwise have a material adverse effect on the Company's business, financial condition and operations. More broadly, growing protectionism and anti-globalization sentiment in the United States and other countries may slow global growth. A protracted and wide-ranging trade conflict between the United States and its trading partners, including China, Canada and Mexico, could in particular weigh on global economic growth, depress crude oil prices and thereby adversely affect the Company's business, financial condition and operations.

Eco-Terrorism Risks

The Company's oil and natural gas properties, wells and facilities could be the subject of a terrorist attack. If any of the Company's properties, wells or facilities are the subject of terrorist attack it may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company does not have insurance to protect against the risk from terrorism.

Management of Growth

The Company may be subject to growth related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Reliance on Key Personnel

The Company's success depends in large measure on certain key personnel. The loss of the services of such key personnel may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. The Company does not have any key personnel insurance in effect for the Company. The contributions of the existing management team to the immediate and near term operations of the Company are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that the Company will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

Influential Shareholders

Calm Waters Partnership holds approximately 8.26% of the issued and outstanding Common Shares on a non-diluted basis and 16.52% of the issued and outstanding Common Shares on a fully-diluted basis as at the date hereof and, as such, may be able to exert influence on the Company through its voting rights. Furthermore, through its voting rights, Calm Waters Partnership will be able to exercise influence over the management, administration, strategy and growth of the Company.

Information Technology Systems and Cyber-Security

The Company has become increasingly dependent upon the availability, capacity, reliability and security of our information technology infrastructure and our ability to expand and continually update this infrastructure, to conduct daily operations. The Company depends on various information technology systems to estimate reserve quantities, process and record financial data, manage our land base, manage financial resources, analyze seismic information, administer our contracts with our operators and lessees and communicate with employees and third-party partners.

Further, the Company is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Company's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to our business activities or our competitive position. In addition, cyber phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If the Company becomes a victim to a cyber phishing attack it could result in a loss or theft of the Company's financial resources or critical data and information or could result in a loss of control of the Company's technological infrastructure or financial resources. The Company applies technical and process controls in line with industry-accepted standards to protect our information assets and systems; however, these controls may not adequately prevent cyber-security

breaches. Disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as on our reputation. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations.

Market Price of Common Shares

The trading price of securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to the Company's performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices or current perceptions of the oil and gas market, including governmental regulatory actions or adverse changes in general market conditions or economic trends. In certain jurisdictions institutions, including government sponsored entities, have determined to decrease their ownership in oil and gas entities which may impact the liquidity of certain securities and may put downward pressure on the trading price of those securities. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Company's operating results, financial condition, liquidity and other internal factors, as well as the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted.

Impact of Future Financings on Market Price

In order to finance future operations or acquisition opportunities, the Company may raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares.

Dilution

The Company may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Company which may be dilutive.

Climate Change

Global climate issues continue to attract public and scientific attention. Numerous reports, such as the Fourth, Fifth, and Sixth Assessment Reports of the Intergovernmental Panel on Climate Change, have engendered concern about the impacts of human activity, especially hydrocarbon combustion, on global climate issues. In turn, increasing public, government, and investor attention is being paid to global climate issues and to emissions of greenhouse gases ("GHG"), including emissions of carbon dioxide and methane from the production and use of crude oil and liquids and natural gas. The majority of countries, including Canada, have agreed to reduce their carbon emissions in accordance with the Paris Agreement.

Foreign and domestic governments continue to evaluate and implement policy, legislation, and regulations focused on restricting emissions commonly referred to as GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. However, international multilateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of these measures. Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing Fiddlehead's operating expense, and, in the long-term, potentially reducing the demand for crude oil and liquids and natural gas, resulting in a decrease in Fiddlehead's profitability and a reduction in the value of its assets.

Claims have been made against certain energy companies alleging that GHG emissions from crude oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. As a result, individuals, government authorities, or other organizations may make claims against crude oil and natural gas companies, including Fiddlehead, for alleged personal injury, property damage, or other potential liabilities. While Fiddlehead is not a party to any such litigation or proceedings, it could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely affect Fiddlehead's cost of capital, impact its operations and have an adverse impact on its financial condition.

Given the perceived elevated long-term risks associated with policy development, regulatory changes, public and private legal challenges, or other market developments related to climate change, there have also been efforts in recent years affecting the investment community, including investment advisors, sovereign wealth funds, public pension funds, universities and other institutional investors, promoting direct engagement and dialogue with companies in their portfolios on climate change action (including exercising their voting rights on matters relating to climate change) and increased capital allocation to investments in low-carbon assets and businesses while decreasing the carbon intensity of their portfolios through, among other measures, divestments of companies with high exposure to GHG-intensive operations and products. Certain stakeholders have also pressured commercial and investment banks and insurance providers to reduce or stop financing, and providing insurance coverage to crude oil and natural gas and related infrastructure businesses and projects. The impact of such efforts require Fiddlehead's management to dedicate significant time and resources to these climate change-related concerns, may adversely affect Fiddlehead's operations and negatively impact Fiddlehead's cost of capital and access to the capital markets.

Fiddlehead is committed to transparent and comprehensive reporting of its sustainability performance, and considers existing standards such as the Global Reporting Initiative Sustainability Reporting Standards, the Sustainability Accounting Standards Board's documentation, and recommendations issued by the Task Force for Climate Related Financial Disclosures. If Fiddlehead is not able to meet future sustainability reporting requirements of regulators or current and future expectations of investors, insurance providers, or other stakeholders, its business and ability to attract and retain skilled employees, obtain regulatory permits, licences, registrations, approvals, and authorizations from various governmental authorities, and raise capital may be adversely affected.

Based on Fiddlehead's current understanding, the potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. Fiddlehead does not conduct fundamental research regarding the scientific inquiry of climate change, but does stay abreast of the scientific literature on the subject. Many experts believe global climate change could increase extreme variability in weather patterns such as increased frequency of severe weather, rising mean temperature and sea levels, and long-term changes in precipitation patterns. Extreme hot and cold weather, heavy snowfall, heavy rainfall, and wildfires may restrict Fiddlehead's ability to access its assets and cause operational difficulties, including damage to equipment and infrastructure. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions. Certain of Fiddlehead's assets are in locations that are proximate to forests and rivers and a wildfire or flood may lead to significant downtime and/or damage to Fiddlehead's assets or cause disruptions to the production and transport of its products or the delivery of goods and services in its supply chain.

Variations in Foreign Exchange Rates and Interest Rates

World oil and natural gas prices are quoted in United States dollars. The Canadian/United States dollar exchange rate, which fluctuates over time, consequently affects the price received by Canadian producers of oil and natural gas. Material increases in the value of the Canadian dollar relative to the United States dollar will negatively affect the Company's production revenues. Accordingly, exchange rates between Canada and the United States could affect the future value of the Company's reserves as determined by independent evaluators. Although a low value of the Canadian dollar relative to the United States dollar may positively affect the price the Company receives for its oil and natural gas production, it could also result in an increase in the price for certain goods used for the Company's operations, which may have a negative impact on the Company's financial results.

To the extent that the Company engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which the Company may contract. An increase in interest rates could

result in a significant increase in the amount the Company pays to service debt, resulting in a reduced amount available to fund its exploration and development activities, and if applicable, the cash available for dividends and could negatively impact the market price of the Common Shares.

Insurance

The Company's involvement in the exploration for and development of oil and natural gas properties may result in the Company becoming subject to liability for pollution, blow outs, leaks of sour natural gas, property damage, personal injury or other hazards. Although the Company maintains insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, certain risks are not, in all circumstances, insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Third Party Credit Risk

The Company may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its oil, natural gas and NGLs production and other parties. In addition, the Company may be exposed to third party credit risk from operators of properties in which the Company has a working or royalty interest. In the event such entities fail to meet their contractual obligations to the Company, such failures may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may affect a joint venture partner's willingness to participate in the Company's ongoing capital program, potentially delaying the program and the results of such program until the Company finds a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in the Company being unable to collect all or portion of any money owing from such parties. Any of these factors could materially adversely affect the Company's financial and operational results.

Reputational Risk Associated with the Company's Operations

Any environmental damage, loss of life, injury or damage to property caused by the Company's operations could damage the Company's reputation in the areas in which the Company operates. Negative sentiment towards the Company could result in a lack of willingness of municipal authorities being willing to grant the necessary licenses or permits for the Company to operate its business and in residents in the areas where the Company is doing business opposing further operations in the area by the Company. If the Company develops a reputation of having an unsafe work site it may impact the ability of the Company to attract and retain the necessary skilled employees and consultants to operate its business. Further, the Company's reputation could be affected by actions and activities of other companies operating in the oil and gas industry, over which the Company has no control. In addition, environmental damage, loss of life, injury or damage to property caused by the Company's operations could result in negative investor sentiment towards the Company, which may result in limiting the Company's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Common Shares.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire assets or shares of other entities. These transactions may be financed in whole or in part with debt, which may increase the Company's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, the Company may require additional debt financing that may not be available or, if available, may not be available on favourable terms. Neither the Company's articles nor its by-laws limit the amount of indebtedness that the Company may incur. The level of the Company's indebtedness from time to time could impair the Company's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Conflicts of Interest

Certain directors or officers of the Company may also be directors or officers of other oil and natural gas companies and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a Company who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Litigation

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, including resulting from exposure to hazardous substances, property damage, property taxes, land and access rights, environmental issues, including claims relating to contamination or natural resource damages and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company, and as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse effect on the Company's financial condition.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Company may disclose confidential information relating to the business, operations or affairs of the Company. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information, a breach could put the Company at competitive risk and may cause significant damage to its business. The harm to the Company's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Company will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures in order to help ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and harm the trading price of the Common Shares.

Income Taxes

The Company files all required income tax returns and believes that it is in full compliance with the provisions of the *Income Tax Act* (Canada) and all other applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, whether by re-characterization of exploration and development expenditures or otherwise, such reassessment may have an impact on current and future taxes payable.

Income tax laws relating to the oil and natural gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that adversely affects the Company. Furthermore, tax

authorities having jurisdiction over the Company may disagree with how the Company calculates its income for tax purposes or could change administrative practices to the Company's detriment.

Indigenous Land and Rights Claims

Opposition by Indigenous groups to the conduct of our operations, development, or exploratory activities in any of the jurisdictions in which Fiddlehead conducts business may negatively impact it in terms of public perception, diversion of management's time and resources, legal and other advisory expenses, and could adversely impact Fiddlehead's progress and ability to explore and develop assets.

Some Indigenous groups have established or asserted Indigenous treaty, title, and rights to portions of Canada. There are outstanding Indigenous and treaty rights claims, which may include Indigenous title claims, on lands where Fiddlehead operates, and such claims, if successful, could have a material adverse impact on its operations or pace of growth. No certainty exists that any lands currently unaffected by claims brought by Indigenous groups will remain unaffected by future claims.

The Canadian federal and provincial governments have a duty to consult with Indigenous people when contemplating actions that may adversely affect the asserted or proven Indigenous or treaty rights and, in certain circumstances, accommodate their concerns. The scope of the duty to consult by federal and provincial governments varies with the circumstances and is often the subject of ongoing litigation. The fulfillment of the duty to consult Indigenous people and any associated accommodations may adversely affect Fiddlehead's ability to, or increase the timeline to, obtain or renew, permits, leases, licences and other approvals, or to meet the terms and conditions of those approvals. For example, regulatory authorities in British Columbia ceased granting approvals, and, in some cases, revoked existing approvals, for, among other things crude oil and natural gas activities relating to drilling, completions, testing, production, and transportation infrastructure following a British Columbia Supreme Court decision that the cumulative impacts of government-sanctioned industrial development on the traditional territories of an Indigenous group in northeast British Columbia breached that group's treaty rights. Following that decision, the Government of British Columbia signed an implementation agreement with that Indigenous group to address cumulative effects of development on that group's claim area through restoration work, establishment of areas protected from industrial development, and a constraint on development activities. These measures, which have and are expected to continue to form the basis of similar arrangements with other Indigenous groups in British Columbia, are expected to remain in place while a long-term cumulative effects management regime is implemented. The long-term impacts of, and associated risks with, the court decision and arrangements with Indigenous groups to address the cumulative effects of development on claimed lands on the Canadian crude oil and natural gas industry and Fiddlehead remain uncertain.

In addition, in 2021, the federal government introduced legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples ("UNDRIP"). Other Canadian jurisdictions, including British Columbia, have also introduced or passed similar legislation, or begun considering the principles and objectives of UNDRIP, or may do so in the future. Such legislation requires that the Government of Canada take all measures necessary to ensure the laws of Canada are consistent with the principles of UNDRIP and to implement an action plan to address UNDRIP's objectives. In June 2023, the Implementation Secretariat, being a secretariat within the Department of Justice with the sole role of supporting Indigenous participation in the implementation of UNDRIP, released The United Nations Declaration on the Rights of Indigenous Peoples Act Action Plan with respect to aligning federal laws with UNDRIP, which has a 2023-2028 implementation timeframe. The means and more detailed timelines associated with UNDRIP's implementation by government is uncertain; additional processes may be created or legislation associated with project development and operations may be amended or introduced, further increasing uncertainty with respect to project regulatory approval timelines and requirements. See also, "*Risk Factors — General Risks — Project Approvals*".

Dividends

The amount of future cash dividends paid by the Company, if any, will be subject to the discretion of the Board and will depend on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of the liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends. See "*Dividend Record and Policy*".

Expansion into New Activities

The operations and expertise of the Company's management are currently focused primarily on oil and gas production, exploration and development in the WCSB. In the future the Company may acquire or move into new industry related activities or new geographical areas, may acquire different energy related assets and as a result may face unexpected risks or alternatively, significantly increase the Company's exposure to one or more existing risk factors, which may in turn result in the Company's future operational and financial conditions being adversely affected.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings in respect of which the Company is or was a party to, or that any of its property is or was the subject of, during the Company's most recent financial year, nor are any such legal proceedings known to the Company to be contemplated, that involves a claim for damages, exclusive of interest and costs, exceeding 10% of the current assets of the Company.

During the financial year ended December 31, 2025, there have been no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority since the Company's inception; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

AUDIT COMMITTEE

The purpose of the Company's audit committee ("**Audit Committee**") is to assist the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company.

Audit Committee Terms of Reference

The Company's Audit Committee terms of reference (the "Audit Committee Mandate") was adopted by the Board, the full text of which is attached hereto as Schedule "C" and forms part of this Annual Information Form. The Audit Committee Mandate is to assist the Board in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

Composition of the Audit Committee

The Audit Committee shall be comprised of a minimum three directors as determined by the Board and at least a majority of the members of the Audit Committee shall be directors who are not officers, employees or control persons of the Company or any of its Associates or Affiliates. The Audit Committee of the Company currently consists of Gregory Turnbull, Neil Smith and Brent Osmond.

Relevant Education and Experience

All of the current and anticipated members of the Audit Committee are able to understand and interpret information related to financial statement analysis. Each of the current and anticipated members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financial statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies.

Gregory Turnbull

Mr. Turnbull has previously served as an officer or director of many public and private companies, including as a director of Crescent Point Energy, Heritage Oil, Storm Resources, and Sunshine Oilsands, and as the Chair of Alberta Health Services and Chair of the Calgary Zoo. Greg is currently a director of Sleeping Giant and SNDL and is formerly a strategic advisor for Fasken Martineau DuMoulin LLP. Prior to joining Fasken, Greg was a long-time partner and managing partner at McCarthy Tétrault LLP. Greg has extensive experience in corporate governance matters providing advice to boards of directors and special committees, also in finance and securities transactions, including public and private share and debt financings, takeover bids, initial public offerings, business combinations and international stock exchange listings. Greg holds a Bachelor of Arts degree (with honours) from Queen's University and a Bachelor of Laws degree from the University of Toronto.

David Ritter

Mr. Ritter served as the President of The Haymarket Group, LLC, a boutique management consulting firm based in The Woodlands, Texas, USA. He was also an External Advisor for McKinsey and Company. Dave is an accomplished senior operations and strategic executive with over 45 years of experience in the energy industry. Most recently he was the Chief Operating Officer of Philadelphia Energy Solutions (PES) which was the largest refining complex on the US Eastern seaboard. Prior to that Dave was Senior Vice President in Saudi Refining, Inc. ARAMCO's US affiliate. Dave retired from Royal Dutch Shell at the end of 2010, as group Vice President of Global Competitive Intelligence and Strategy. Dave began his career with Mobil/ExxonMobil and held senior leadership positions in refining, marketing, supply, trading, M&A and corporate strategy and spent more than a third of his career outside the U.S. He also served as a leader in the Downstream oil & gas consulting practice of CG Ernst & Young, LLC.

David received his MBA in Finance as well as his bachelor's degree in civil engineering from Lehigh University. He also did post graduate work in Operations Management at the University of Southern California.

Stephanie Bunch

Ms. Bunch is a Chartered Professional Accountant with over 30 years of experience in oil & gas, retail, technology and consulting. Ms. Bunch has previously served as an officer of many public and private companies, including as a senior officer of Acclaim Energy Trust, Canetic Energy Trust, Seaview Energy Inc., CQ Energy Partnership (a subsidiary of Direct Energy), YSS Corp., and Denvr Dataworks. Ms. Bunch further provided VP Finance & CFO consulting services via Stephanie Bunch Consulting to small/medium oil & gas producers and retail clients for a number of years. Ms. Bunch has a long history of demonstrated advancement of strategic goals in executive positions while striving for operational efficiency and maintaining strong governance controls.

Ms. Bunch holds a Bachelor of Commerce and a Bachelor of Science from the University of Alberta. Additionally, Ms. Bunch became a Chartered Professional Accountant after graduating from the Canadian Institute of Chartered Accountants in 1994.

Compensation

The Board conducts reviews with regard to the compensation of the directors and the CEO once a year and has the authority on such compensation by considering the nature of the services provided by the respective directors and the CEO.

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided to the Company by the external auditors of the Company.

External Auditor Service Fees (By Category)

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

Type of Service Provided	Year-ended December 31, 2025	Year-ended December 31, 2024
Audit Fees	\$381,133	\$99,510
Audit-Related Fees	-	-
Tax Fees	\$34,812	-
All Other Fees	\$27,789	\$10,950
Total	\$443,734	\$110,460

Exemption

The Company is relying on the exemption provided by Section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors, executive officers of the Company, nor any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of outstanding voting securities of the Company, nor any associate or affiliate of the foregoing persons or companies had any material interest, direct or indirect, in any transaction during the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company at its principal office in Vancouver, British Columbia located at 350 – 409 Granville Street, V6C 1T2 is the transfer agent and registrar for the Common Shares and Warrants.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company did not enter into any material contracts within the most recently completed financial year, or contracts before the last financial year that are still in effect, except for those set forth below:

- (1) Credit Facility Agreement (see “*General Development of the Business — Three Year History*”);
- (2) Acquisition Agreement and Acquisition Amending Agreement (see “*General Development of the Business — Three Year History*”);

The Company’s material contracts described above are filed under Fiddlehead’s profile on SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

Oil and Gas Reserves Evaluator

Information relating to oil and gas reserves in this Annual Information Form have been calculated by GLJ as the Company's independent qualified oil and gas reserves evaluator. The partners and associates of GLJ, as a group, beneficially own, directly or indirectly, less than one percent of any class of the Company's outstanding securities.

Auditor

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated April 29, 2026 in respect of the Company's financial statements as at December 31, 2025 and for the year then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Alberta, and any applicable legislation or regulations.

The Company's previous independent auditor was Crowe MacKay LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated February 2, 2024 in respect of the Company's financial statements as at December 31, 2023 and for the year then ended. Crowe MacKay LLP has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Alberta, and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca under the Company's profile.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, as applicable, is contained in the Company's management information circular for its most recent annual meeting of Shareholders that involved the election of directors.

Additional financial information is also provided in the Company's consolidated financial statements and MD&A for the year ended December 31, 2025.

SCHEDULE A – FORM 51-101F2

[See attached]

**REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR**

To the board of directors of Fiddlehead Resources Corp. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2025. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2025, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2025, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate – M\$)			
			Audited	Evaluated	Reviewed	Total
GLJ Ltd.	December 31, 2025	Canada	-	43,146	-	43,146

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our reports.
8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

GLJ Ltd., Calgary, Alberta, Canada, February 26, 2026

“Originally Signed By”

Patrick A. Olenick, P.Eng.
Senior Vice President

SCHEDULE B – FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

**FIDDLEHEAD RESOURCES CORP.
Form 51-101F3**

**Report of Management and Directors
on Reserves Data and Other Information**

Management of Fiddlehead Resources Corp. (the “Company”) are responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves evaluator has evaluated and reviewed the Company’s reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the Board of Directors of the Company has:

- (a) reviewed the Company’s procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the Board of Directors has reviewed the Company’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2, which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

(signed) “Brent Osmond”
Brent Osmond, Chief Executive Officer and Director

(signed) “Manjeet Dhillon”
Manjeet Dhillon, Interim Chief Financial Officer

(signed) “Dale Miller”
Dale Miller, Director

(signed) “C. Neil Smith”
C. Neil Smith, Director

April 30, 2026

SCHEDULE C – AUDIT COMMITTEE CHARTER

FIDDLEHEAD RESOURCES CORP.

1. Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the Board of Directors (the “**Board**”) of Fiddlehead Resources Corp. (the “**Corporation**”) to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management’s reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board of director approval, the audited financial reports and other mandatory disclosure releases containing financial information. The objectives of the Committee, with respect to the Corporation and its subsidiaries, are as follows:

- to assist directors to meet their responsibilities in respect of the preparation and disclosure of the financial reports of the Corporation and related matters.
- to provide an open avenue of communication among the Corporation’s auditors, financial and senior management and the Board.
- to ensure the external auditors’ independence and review and appraise their performance.
- to increase the credibility and objectivity of financial reports.
- to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

2. Composition

The Committee shall be composed of at least three (3) individuals appointed by the Board from amongst its members, all of which members will be independent (within the meaning of National Instrument 52-110 *Audit Committees* issued by the Canadian Securities Administrators (“**NI 52-110**”)) unless the Board determines to rely on an exemption in NI 52-110. A majority of the individuals must be independent if the Committee is composed of more than three (3) individuals. “Independent” generally means free from any business or other direct or indirect material relationship with the Corporation that could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.

The Secretary to the Board shall act as Secretary of the Committee.

A quorum shall be a majority of the members of the Committee.

All of the members must be financially literate within the meaning of NI 52-110 unless the Board has determined to rely on an exemption in NI 52-110. Being “financially literate” means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

3. Meetings

The Committee shall meet at least four (4) times per year and/or as deemed appropriate by the Committee Chair. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the Chief Financial Officer or such other officer acting in that capacity (the “CFO”), and the external auditor.

The Chief Executive Officer and the CFO or their designates shall be available to attend all meetings of the Committee upon the invitation of the Committee.

The Controller, Treasurer and/or such other staff as appropriate shall provide information to the Committee and be available to attend meetings upon invitation by the Committee.

4. Mandate and Responsibilities

To fulfill its responsibilities and duties, the Committee shall:

1. annually review this mandate and make recommendations to the Corporate Governance and Nominating Committee as to proposed changes;
2. satisfy itself on behalf of the Board with respect to the Corporation’s internal control systems, including, where applicable, relating to derivative instruments:
 - (a) identifying, monitoring and mitigating business risks; and
 - (b) ensuring compliance with legal and regulatory requirements;
3. review the Corporation’s financial reports, MD&A, any annual earnings, interim earnings and press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial reports), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; the process should include, but not be limited to:
 - (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years’ financial reports;
 - (b) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - (c) reviewing accounting treatment of unusual or non-recurring transactions;
 - (d) ascertaining compliance with covenants under loan agreements;
 - (e) reviewing financial reporting relating to asset retirement obligations;
 - (f) reviewing disclosure requirements for commitments and contingencies;
 - (g) reviewing adjustments raised by the external auditors, whether or not included in the financial reports;
 - (h) reviewing unresolved differences between management and the external auditors;
 - (i) obtaining explanations of significant variances with comparative reporting periods; and
 - (j) determining through inquiry if there are any related party transactions and ensuring the nature and extent of such transactions are properly disclosed;
4. review the financial reports and related information included in prospectuses, management discussion and analysis (MD&A), information circular-proxy statements and annual information forms (AIF), prior to Board approval;

5. with respect to the appointment of external auditors by the Board:
 - (a) require the external auditors to report directly to the Committee;
 - (b) review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
 - (c) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation;
 - (d) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (e) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (f) review management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;
 - (g) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;
 - (h) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
 - (i) take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors; and
 - (j) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial reports;
6. review all public disclosure containing audited or unaudited financial information before release;
7. review financial reporting relating to risk exposure;
8. satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information from the Corporation's financial reports and periodically assess the adequacy of those procedures;
9. review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
10. review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial reports of the Corporation and its subsidiaries;
11. review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors and consider the impact on the independence of the auditors; the pre-approval requirement is waived with respect to the provision of non-audit services if:

- (a) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than 5% of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
- (b) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
- (c) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee;

provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority shall be delegated to the Audit Committee Chair;

12. review any other matters that the Committee feels are important to its mandate or that the Board chooses to delegate to it;

13. with respect to the financial reporting process:

- (a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial reports and the view of the external auditors as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditors regarding financial reporting;
- (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review the certification process;
- (i) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (j) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

5. **Authority**

Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a Committee meeting is held (these may still be in draft form).

Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

The Committee shall have the authority to investigate any financial activity of the Corporation, and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Corporation.

Date of Board Approval: June 28, 2024