

***No securities regulatory authority has expressed an opinion about these securities, and it is an offence to claim otherwise.***

*This prospectus supplement (the "**Prospectus Supplement**") together with the short form base shelf prospectus dated December 4, 2024 (the "**Prospectus**") to which it relates, as amended and supplemented, and each document incorporated by reference or deemed to be incorporated by reference in the Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws, and, accordingly, may not be offered or sold within the "United States" or to a "U.S. person" (each as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or in certain transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

***Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from InPlay's Chief Financial Officer at Suite 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3N9, phone number (587) 955-9570 and are also available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).***

New Issue

February 21, 2025

## PROSPECTUS SUPPLEMENT

To a Short Form Base Shelf Prospectus Dated December 4, 2024



**\$28,500,625**

**18,387,500 Subscription Receipts each  
representing the right to receive one Common Share**

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**Price \$1.55 per Subscription Receipt**

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InPlay Oil Corp. ("**InPlay**" or the "**Corporation**") is hereby qualifying for distribution of 18,387,500 subscription receipts (the "**Subscription Receipts**") at a price of \$1.55 per Subscription Receipt (the "**Offering**"). Each Subscription Receipt will entitle the holder thereof to receive: (i) upon the satisfaction of the Escrow Release Conditions (as defined herein) and delivery of the Notice (as defined herein) to the Escrow Agent (as defined herein) on or before the Deadline (as defined herein), without payment of additional consideration or further action on the part of the holder thereof, one (1) common share in the capital of the Corporation (a "**Common Share**"); and (ii) Dividend Equivalent Payments (as defined herein) during the period from the Closing Date (as defined herein) to, but excluding, the Release Time (as defined herein). See "*Details of the Offering*" and "*Plan of Distribution*".

On February 19, 2025, InPlay entered into the Acquisition Agreement (as defined herein) with the Vendor (as defined herein), pursuant to which InPlay agreed to acquire the Acquired Assets (as defined herein) in consideration for \$309.9 million comprised of: (i) \$305.5 million (prior to adjustment) in cash and equity; and (ii) the transfer of InPlay's entire

WGC Unit Interest (as defined herein) (collectively the "**Purchase Price**"). The cash portion of the Purchase Price will be partially funded from the net proceeds of the Offering, with the remaining cash portion of the Purchase Price expected to be funded by borrowings under the Corporation's New Credit Facilities (as defined herein). See "*The Acquisition*", "*Use of Proceeds*" and "*Consolidated Capitalization*".

The Offering is made pursuant to the terms and conditions of the underwriting agreement dated effective February 21, 2025 (the "**Underwriting Agreement**") among the Corporation and Underwriters (as defined herein). The terms of the Offering, including the offering price of the Subscription Receipts offered hereunder, were determined by negotiations between InPlay, ATB Securities Inc. ("**ATB**"), National Bank Financial Inc. ("**NBF**") and RBC Dominion Securities Inc. ("**RBC**", together with ATB and NBF, the "**Lead Underwriters**"), on their own behalf and on behalf of Canaccord Genuity Corp., Stifel Nicolaus Canada Inc. and Acumen Capital Finance Partners Limited (collectively, the "**Underwriters**"). See "*Plan of Distribution*".

The gross proceeds from the sale of the Subscription Receipts (collectively, the "**Escrowed Funds**") will be held by Odyssey Trust Company, as escrow agent (the "**Escrow Agent**"), and invested in approved investments set out in the Subscription Receipt Agreement (as defined herein), as directed in writing by InPlay, pending the fulfillment or waiver of all the Escrow Release Conditions. See "*Recent Developments – The Acquisition*", "*Details of the Offering*", "*Dividends*", "*Use of Proceeds*", "*Plan of Distribution*" and "*Risk Factors*".

While the Subscription Receipts remain outstanding, holders thereof (including holders of Subscription Receipts that may be issued upon exercise of the Over-Allotment Option (as defined herein)) will be entitled to receive cash payments (any such payment, a "**Dividend Equivalent Payment**") in an amount per Subscription Receipt equal to any cash dividends declared by the Corporation on the Common Shares relating to any record date occurring from, and including, Closing Date to, but excluding, the Release Time, less any applicable withholding taxes. Holders of Subscription Receipts will receive such payments upon the later of the date of the Release Time (or issuance of Common Shares in lieu thereof, as the case may be with respect to the Over-Allotment Option) and the date the applicable dividend is paid to Shareholders (as defined herein), net of any applicable withholding taxes.

If the Release Time occurs before the record date of a dividend declared by the Corporation on the Common Shares, holders of Subscription Receipts will not receive a Dividend Equivalent Payment but will be entitled to receive the applicable dividend on any Common Shares held by the holder on such record date. See "*Details of the Offering*".

For greater certainty, if the Acquisition closes prior to April 15, 2025, as anticipated, holders of Subscription Receipts of record on March 15, 2025 will receive a Dividend Equivalent Payment with respect to the dividend to be paid to holders of record of Common Shares on March 31, 2025, with payment to holders of Subscription Receipts occurring at the later of the date of the Release Time (or issuance of Common Shares in lieu thereof, as the case may be with respect to the Over-Allotment Option) and the date the applicable dividend is paid to Shareholders.

If: (i) the Corporation fails to satisfy the Escrow Release Conditions and deliver the Notice (as defined herein) to the Escrow Agent on or before the Deadline; (ii) the Acquisition Agreement is terminated in accordance with its terms prior to the Deadline; or (iii) the Corporation advises the Escrow Agent and the Lead Underwriters, on behalf of the Underwriters, in writing or formally announces to the public by way of a press release or otherwise that it does not intend to proceed with the Acquisition prior to the Deadline (each, a "**Termination Event**" and the time of the earliest of such Termination Event to occur, the "**Termination Time**"), the Corporation shall forthwith provide notice thereof to the Lead Underwriters and the Escrow Agent, and the holders of Subscription Receipts shall be entitled to receive from the Escrow Agent an amount (a "**Termination Payment**") per Subscription Receipt equal to the offering price of the Subscription Receipts, together with their pro rata share of any interest earned or income generated on the Escrowed Funds from, and including, the Closing Date to, but excluding, the Termination Time, less any applicable withholding taxes; provided that if the balance of the Escrowed Funds, together with any interest earned or income generated, is insufficient to cover the full amount of such offering price, under the Subscription Receipt Agreement, the Corporation will be required to pay to the Escrow Agent the deficiency, if any, between the amount of Escrowed Funds (together with any such interest or income) and the aggregate of the payments due to the holders of the Subscription Receipts. No Dividend Equivalent Payment will be made to holders of Subscription Receipts if a Termination Time (as defined herein) occurs. See "*Recent Developments – The Acquisition*" and "*Details of the Offering*".

**Owning the Subscription Receipts and the Common Shares issuable pursuant to the terms of the Subscription Receipts may have tax consequences for holders in Canada. This Prospectus Supplement may not describe these tax consequences fully. You should read the tax discussion under "Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment" in this Prospectus Supplement and consult with an independent tax advisor with respect to your particular circumstances.**

The issued and outstanding Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "IPO". On February 18, 2025, the last trading day prior to the public announcement of the Offering and the Acquisition, the closing price of the Common Shares on the TSX was \$1.79. On February 20, 2025, the last trading day prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the TSX was \$1.66.

The Corporation has applied to list the Subscription Receipts and the Common Shares underlying the Subscription Receipts (including the Subscription Receipts issuable pursuant to the Over-Allotment Option and the Common Shares underlying such Subscription Receipts issuable pursuant to the Over-Allotment Option) on the TSX. Listing will be subject to approval of the TSX in accordance with its applicable listing requirements. There can be no assurance that the Subscription Receipts will be listed on the TSX or that the Common Shares underlying the Subscription Receipts will be listed on the TSX. **There is currently no market through which the Subscription Receipts may be sold, and purchasers may not be able to resell Subscription Receipts purchased under this Prospectus Supplement. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices, the liquidity of the Subscription Receipts and the extent of issuer regulation. See "Risk Factors."**

	Price to the Public	Underwriters' Fee <sup>(1)</sup>	Net Proceeds <sup>(2)(3)</sup>
Per Subscription Receipt	\$1.55	\$0.0775	\$1.4725
Total	\$28,500,625	\$1,425,031	\$27,075,594

Notes:

- (1) The fee payable to the Underwriters if the Escrow Release Conditions are satisfied and Notice to the Escrow Agent is delivered, and acknowledged by the Lead Underwriters, on or before the Deadline is 5% of the gross proceeds of the Offering (the "Underwriters' Fee"). The Underwriters' Fee with respect to the Subscription Receipts is payable upon the release of the Escrowed Funds. If the Escrow Release Conditions are not satisfied and the Notice is not delivered to the Escrow Agent, and acknowledged by the Lead Underwriters prior to the Deadline, then the fees payable to the Underwriters' will be limited to 50% of the Underwriters' Fee. Numbers may not add due to rounding. See "Details of the Offering" and "Plan of Distribution".
- (2) Excluding interest accrued and other income that may be earned on the Escrowed Funds, if any, and calculated before deducting the estimated expenses of the Offering of approximately \$600,000 and excluding any Dividend Equivalent Payments, if any, on the Subscription Receipts (see "Dividends" and "Details of the Offering"). The expenses of the Offering (exclusive of taxes) will be paid from InPlay's general funds.
- (3) The Corporation has also granted to the Underwriters an option (the "**Over-Allotment Option**") to purchase up to an additional 2,758,125 Subscription Receipts at a price of \$1.55 per Subscription Receipt, exercisable from time to time, in whole or in part, until the earlier of: (i) 5:00 p.m. (Calgary time) on the date that is 30 days following the Closing Date; and (ii) the Termination Time, to cover over-allotments, if any, and for market stabilization purposes. In the event the Over-Allotment Option is exercised following the satisfaction of the Escrow Release Conditions and delivery of the Notice to the Escrow Agent, and acknowledged by the Lead Underwriters, the Corporation will issue the same number of Common Shares in lieu of Subscription Receipts. A purchaser who acquires Subscription Receipts forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public of the Offering, the Underwriters' Fee and the net proceeds to InPlay (before deducting expenses of the Offering and excluding any Dividend Equivalent Payments, if any, and interest and other income that may be earned on the Escrowed Funds) will be \$32,775,719, \$1,638,786 and \$31,136,933, respectively. This Prospectus Supplement also qualifies the distribution of the Over-Allotment Option and of the Subscription Receipts or Common Shares, as applicable, issuable upon exercise of the Over-Allotment Option. See "Plan of Distribution" and the table below.

The following table sets forth the number of Subscription Receipts or Common Shares, as applicable, that may be issued by InPlay pursuant to the Over-Allotment Option:

<b>Underwriters' Position</b>	<b>Maximum number of securities available</b>	<b>Exercise period</b>	<b>Exercise price</b>
Over-Allotment Option	2,758,125 Subscription Receipts or Common Shares, as applicable	Exercisable until the earlier of (i) 5:00 p.m. (Calgary time) on the date that is 30 days following the Closing Date; and (ii) the Termination Time	\$1.55 per Subscription Receipt or Common Share, as applicable

The Underwriters, as principals, conditionally offer the Subscription Receipts, subject to prior sale, if, as and when issued by InPlay and delivered and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to approval of certain legal matters relating to the Offering, on InPlay's behalf by Counsel (as defined herein), and on behalf of the Underwriters by Bennett Jones LLP. The Subscription Receipts may also be offered for sale in the United States under certain exemptions from the registration requirements of the 1933 Act and applicable state securities laws, and any other jurisdictions outside of Canada and the United States mutually agreed to by the Corporation and the Underwriters, each acting reasonably, in accordance with the applicable securities laws therein.

InPlay's head office is located at Suite 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3N9 and InPlay's registered office is located at Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1G1.

Subscriptions for Subscription Receipts will be received subject to rejection or allotment in whole or in part. The Underwriters reserves the right to close the subscription books at any time without notice. See "*Plan of Distribution*".

It is expected that closing of the Offering will occur on or about February 27, 2025 or such later date as InPlay may agree to with the Underwriters (the "**Closing Date**"). Subscription Receipts will be registered and electronically deposited directly with CDS (as defined herein) or its nominee, CDS & Co. (as defined herein) on a non-certificated book-entry only basis and no certificates evidencing Subscription Receipts will be issued to purchasers thereof. Notwithstanding the foregoing, securities issued to U.S. Institutional Accredited Investors (as defined herein) in the United States will be issued in the form of definitive certificates or direct registration statements with applicable restrictive legends attached. Purchasers of Subscription Receipts will receive only a customer confirmation or statement from the Lead Underwriters or other registered dealer who is a Participant (as defined herein) and from or through whom a beneficial interest in the Subscription Receipts is purchased. See "*Details of the Offering – Non-Certificated Issue*".

**Each of ATB and NBF are direct or indirect wholly-owned subsidiaries or affiliates of Canadian chartered banks (or other financial institution) that are InPlay's or its affiliates' existing or proposed lenders. ATB is a wholly-owned subsidiary of ATB Financial. ATB Financial is an Alberta provincially regulated financial institution and is also a member of InPlay's current lending syndicate and will be a lender to InPlay pursuant to the New Credit Facilities. NBF is a wholly-owned subsidiary of National Bank of Canada. National Bank of Canada is a federally regulated financial institution and will be a lender to InPlay pursuant to the New Credit Facilities. Further, each of ATB and NBF is acting as financial adviser to InPlay in connection with the Acquisition and will receive a fee upon the closing of the Acquisition. Accordingly, InPlay may be considered a "connected issuer" of these Underwriters under applicable Canadian Securities Laws (as defined herein). See "*Recent Developments – New Credit Facilities*", "*Use of Proceeds*" and "*Relationship Between InPlay and Certain of the Underwriters*".**

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Subscription Receipts and/or Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

**The Underwriters propose to offer the Subscription Receipts initially at the offering price specified above. After a reasonable effort has been made to sell all the Subscription Receipts at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Subscription**

**Receipts remaining unsold. Any such reduction will not affect the proceeds received by the Corporation. See "*Plan of Distribution*".**

An investment in the Subscription Receipts and the Common Shares underlying the Subscription Receipts is subject to certain risks inherent in the Corporation's involvement in the exploration for, and the acquisition, development and production of, crude oil and natural gas reserves. The risk factors identified under the headings "*Risk Factors*" and "*Special Note Regarding Forward-Looking Statements*" in this Prospectus Supplement, under the heading "*Risk Factors*" in the Prospectus, under the heading "*Risk Factors*" in the AIF (as defined herein), and under the heading "*Business Risks*" in the Interim MD&A (as defined herein) and the Annual MD&A (as defined herein), should be carefully reviewed and evaluated by prospective purchasers before purchasing the securities being offered hereunder. An investment in the Subscription Receipts and the Common Shares underlying the Subscription Receipts and Common Shares is suitable only for those investors who are willing to risk a loss of their entire investment.

The Subscription Receipts may be sold only in those jurisdictions where offers and sales are permitted. This Prospectus Supplement is not an offer to sell or a solicitation of an offer to buy the Subscription Receipts in any jurisdiction where it is unlawful. Closing of the Offering is also subject to a number of conditions, including the approval of the TSX.

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

	Page
GLOSSARY OF TERMS .....	3
IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT .....	8
SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS .....	10
CONVERSIONS .....	13
ABBREVIATIONS .....	13
BARREL OF OIL EQUIVALENCY .....	14
CERTAIN OIL AND GAS ADVISORIES .....	14
DIVIDEND ADVISORY .....	15
NON-IFRS AND OTHER FINANCIAL MEASURES .....	15
DOCUMENTS INCORPORATED BY REFERENCE .....	17
MARKETING MATERIALS .....	18
INPLAY OIL CORP. ....	18
RECENT DEVELOPMENTS .....	19
INFORMATION REGARDING THE ACQUIRED ASSETS .....	27
CONSOLIDATED CAPITALIZATION .....	34
USE OF PROCEEDS .....	36
PRIOR SALES .....	38
PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES .....	38
DIVIDENDS .....	38
DETAILS OF THE OFFERING .....	40
PLAN OF DISTRIBUTION .....	42
RELATIONSHIP BETWEEN INPLAY AND CERTAIN OF THE UNDERWRITERS .....	45
INTEREST OF EXPERTS .....	46
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS .....	46
ELIGIBILITY FOR INVESTMENT .....	53
RISK FACTORS .....	53
AUDITORS, TRANSFER AGENT AND REGISTRAR .....	59
STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION .....	59
CERTIFICATE OF THE UNDERWRITERS .....	C-1
<b>APPENDIX "A" – Acquired Assets Operating Statement</b>	
<b>APPENDIX "B" – Pro Forma Financial Statements</b>	

**PROSPECTUS**

DEFINITIONS AND OTHER MATTERS .....	1
FORWARD-LOOKING INFORMATION .....	1
NON-GAAP AND OTHER FINANCIAL MEASURES .....	3
CONVENTIONS .....	3
BARREL OF OIL EQUIVALENCY .....	3
MARKETING MATERIALS .....	3
THIRD PARTY INFORMATION .....	3
DOCUMENTS INCORPORATED BY REFERENCE .....	4
SUMMARY DESCRIPTION OF THE BUSINESS .....	5
CONSOLIDATED CAPITALIZATION .....	5
USE OF PROCEEDS .....	5
EARNINGS COVERAGE .....	6
DESCRIPTION OF COMMON SHARES .....	6
DESCRIPTION OF PREFERRED SHARES .....	6
DESCRIPTION OF SUBSCRIPTION RECEIPTS .....	6

DESCRIPTION OF WARRANTS .....	7
DESCRIPTION OF DEBT SECURITIES .....	8
DESCRIPTION OF UNITS .....	10
BOOK-ENTRY ONLY SYSTEM .....	10
PRIOR SALES .....	12
PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES .....	12
PLAN OF DISTRIBUTION .....	12
SELLING SECURITYHOLDERS .....	13
RISK FACTORS .....	14
CERTAIN INCOME TAX CONSIDERATIONS .....	14
EXEMPTIONS .....	14
LEGAL MATTERS .....	14
AUDITORS .....	15
PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS .....	15
CERTIFICATE OF INPLAY .....	16

## GLOSSARY OF TERMS

In this Prospectus Supplement, in addition to the terms defined above, the abbreviations and terms set forth below have the meanings indicated:

"**1933 Act**" has the meaning ascribed thereto on the face page of this Prospectus Supplement.

"**2024 Information Circular**" means InPlay's information circular – proxy statement dated May 3, 2024, relating to the annual general meeting of its Shareholders held on June 4, 2024.

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

"**Acquired Assets**" has the meaning ascribed thereto under "*Recent Developments – The Acquisition – Overview*".

"**Acquired Assets Operating Statement**" means the audited operating statement of the Acquired Assets for the years ended December 31, 2023 and 2022 and the unaudited operating statement of the Acquired Assets for the nine month periods ended September 30, 2024 and 2023, attached hereto as Appendix "A".

"**Acquisition**" means the proposed acquisition by InPlay of the Acquired Assets pursuant to the Acquisition Agreement, see "*Recent Developments – The Acquisition – Overview*".

"**Acquisition Agreement**" means the asset purchase and sale agreement between InPlay and Vendor dated February 19, 2025.

"**Acquisition Closing Date**" means the date the closing of the Acquisition occurs, which is anticipated to be in April 2025, and in any event no later than April 30, 2025, unless agreed by InPlay and the Vendor in writing.

"**Adverse Tariff Event**" means: (i) any tariff, duty, charge, levy or other similar economic measure imposed and in effect by the United States on importations into the United States of any oil, gas or other petroleum products specifically produced in Canada in excess of 10%; or (ii) any tariff, duty, charge, levy or other similar economic measure imposed and in effect by the United States on importations into the United States of any oil, gas or other petroleum products specifically produced in Canada that results in the termination of the Bought Deal Letter or the Underwriting Agreement in accordance with its respective terms.

"**AER**" means the Alberta Energy Regulator.

"**AIF**" means InPlay's annual information form for the year ended December 31, 2023 dated March 27, 2024.

"**allowable capital loss**" has the meaning ascribed thereto under "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

"**Annual Financial Statements**" means InPlay's audited financial statements as at and for the years ended December 31, 2023 and December 31, 2022 together with the notes thereto and the report of the auditors thereon.

"**Annual MD&A**" means InPlay's management's discussion and analysis of the financial condition and results of operations as at and for the years ended December 31, 2023 and December 31, 2022.

"**Asset Reserves Report**" means the evaluation by GLJ dated February 3, 2025 with an effective date of December 31, 2023 evaluating the crude oil, NGLs and conventional natural gas reserves attributable to the Acquired Assets.

"**ATB**" means ATB Securities Inc.

"**Board of Directors**" or "**Board**" means InPlay's board of directors as it may be constituted from time to time.



**"Bought Deal Letter"** means the "bought deal" letter agreement dated February 19, 2025, among InPlay and the Lead Underwriters and as amended pursuant to a letter agreement dated February 20, 2025.

**"Business Day"** means a day, other than a Saturday or Sunday, or a statutory holiday, on which major Canadian chartered banks are open for business in Calgary, Alberta.

**"Canadian Securities Laws"** means all applicable securities laws in each of the provinces and territories of Canada and the respective rules, regulations, instruments, blanket orders and blanket rulings under such laws together with applicable published policies, policy statements and notices of the Canadian Securities Regulators.

**"Canadian Securities Regulators"** means the securities commission or securities regulatory authority in each of the provinces and territories of Canada.

**"CDS"** means CDS Clearing and Depository Services Inc.

**"CDS & Co."** means the nominee of CDS Clearing and Depository Services Inc.

**"CIP"** means Carbon Infrastructure Partners Corp. and, where the context permits or requires, its affiliates.

**"Closing Date"** means the date the closing of the Offering occurs, which is currently expected to be on or about February 27, 2025.

**"COGE Handbook"** means the Canadian Oil and Gas Evaluation Handbook.

**"Commitment Letter"** has the meaning ascribed thereto under *"Recent Developments – New Credit Facilities"*.

**"Common Share"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Counsel"** means Burnet, Duckworth & Palmer LLP.

**"CRA"** means the Canada Revenue Agency.

**"Deadline"** means 5:00 p.m. (Calgary time) on May 30, 2025.

**"Deposit"** has the meaning ascribed thereto under *"Recent Developments – The Acquisition – Closing Conditions, Deposit and Liability Arrangements for the Acquisition"*.

**"Dividend Equivalent Payment"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Escrow Agent"** means Odyssey Trust Company.

**"Escrow Release Conditions"** means that all conditions, undertakings and other matters to be satisfied, completed and otherwise met (in accordance with the Acquisition Agreement and without waiver or material amendment of the terms and conditions thereof, in whole or in part, by any of the parties thereto unless the consent of the Lead Underwriters, on behalf of the Underwriters, is given for such waiver or amendment, such consent not to be unreasonably withheld, conditioned or delayed) prior to the completion of the Acquisition have been satisfied, completed and otherwise met or waived but for the payment of the Purchase Price, which is to be satisfied in part by the release of the Escrowed Funds pursuant to the terms of the Subscription Receipt Agreement, and such conditions precedent that by their nature are to be satisfied at the closing of the Acquisition (but subject to their satisfaction) and the Corporation shall have delivered to the Lead Underwriters a certificate confirming the same.

**"Escrowed Funds"** means the gross proceeds from the sale of the Subscription Receipts to be held by the Escrow Agent.

**"Exempt Plan"** has the meaning ascribed thereto under *"Eligibility for Investment"*.

"**Existing Credit Facility**" has the meaning set out in Note 6 to the table under "*Consolidated Capitalization*".

"**FHSA**" means a first home savings account.

"**First Period**" has the meaning ascribed thereto under "*Recent Developments – New Credit Facilities*".

"**FOFI**" means future-oriented financial information and financial outlook information.

"**GAAP**" means the generally accepted accounting principles as set by the Chartered Professional Accountants of Canada and as permitted by NI 52-107 for the preparation of financial statements.

"**GLJ**" means GLJ Ltd., independent petroleum consultants of Calgary, Alberta.

"**Governmental Authority**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them or exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Hold Period**" has the meaning ascribed thereto under "*The Acquisition Agreement – Investor Rights Agreement*".

"**Hold Period Agreements**" has the meaning ascribed thereto under "*The Acquisition Agreement – Hold Period Agreements*".

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Initial Term Sheet**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**InPlay**" or the "**Corporation**" has the meaning ascribed thereto on the face page of this Prospectus Supplement.

"**InPlay Reserves Report**" means the report of Sproule dated March 13, 2024 evaluating the crude oil, natural gas liquids and natural gas reserves of InPlay as at December 31, 2023.

"**Interim Financial Statements**" means InPlay's unaudited financial statements as at and for the three and nine months ended September 30, 2024 and September 30, 2023 together with the notes thereto.

"**Interim MD&A**" means InPlay's management's discussion and analysis of the financial condition and results of operations as at and for the three and nine months ended September 30, 2024 and September 30, 2023.

"**Investor Distributable Securities**" has the meaning ascribed thereto under "*The Acquisition Agreement – Registration Rights Agreement*".

"**Investor Presentation**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**Investor Rights Agreement**" has the meaning ascribed thereto under "*The Acquisition Agreement – Investor Rights Agreement*".

"**Issuance Resolution**" means the ordinary resolution of the Shareholders approving the issuance of the Share Consideration to Obsidian.

"**KPMG**" means KPMG LLP.

"**Lead Underwriters**" has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Lenders"** means ATB Financial and National Bank of Canada.

**"Mandatory Hedges"** has the meaning ascribed thereto under "Recent Developments – New Credit Facilities".

**"NBF"** means National Bank Financial Inc.

**"New Credit Facilities"** has the meaning set forth in "Recent Developments – New Credit Facilities".

**"New LC Facility"** has the meaning ascribed thereto under "Recent Developments – New Credit Facilities".

**"New Operating Facility"** has the meaning ascribed thereto under "Recent Developments – New Credit Facilities".

**"New Revolving Facilities"** has the meaning ascribed thereto under "Recent Developments – New Credit Facilities".

**"New Syndicated Facility"** has the meaning ascribed thereto under "Recent Developments – New Credit Facilities".

**"NI 41-101"** means National Instrument 41-101 – *General Prospectus Requirements*.

**"NI 51-101"** means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

**"NI 51-102"** means National Instrument 51-102 – *Continuous Disclosure Obligations*.

**"NI 52-107"** means National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*.

**"Non-Resident Holder"** has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada".

**"Notice"** has the meaning ascribed thereto under "Details of the Offering – Subscription Receipts".

**"Obsidian"** means Obsidian Energy Ltd.

**"Offering"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"OOIP"** means Original Oil in Place.

**"OPEC+"** means the Organization of the Petroleum Exporting Countries.

**"Option Plan"** means the stock option plan of the Corporation.

**"Options"** means stock options to purchase Common Shares pursuant to the Option Plan.

**"Over-Allotment Option"** means the option granted to the Underwriters to purchase up to an additional 2,758,125 Subscription Receipts on the same terms and conditions as the Offering, exercisable from time to time, in whole or in part, at any time until the earlier of: (i) 5:00 p.m. (Calgary time) on the date that is 30 days following the Closing Date; and (ii) the Termination Time, to cover over-allotments, if any, and for market stabilization purposes.

**"Participant"** means a participant in the depository service of CDS.

**"Preferred Shares"** means the preferred shares of InPlay.

**"Pro Forma Financial Statements"** means the unaudited pro-forma operating statements for InPlay for the nine months ended September 30, 2024 and the year ended December 31, 2023, giving effect to the Acquisition attached hereto as Appendix "B".

**"Prospectus Supplement"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Prospectus"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Purchase Price"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Purchaser Change in Recommendation"** has the meaning ascribed thereto in the Acquisition Agreement.

**"Purchaser Change in Recommendation"** has the meaning ascribed thereto in the Acquisition Agreement.

**"PwC"** means PricewaterhouseCoopers LLP, Chartered Professional Accountants, Calgary, Alberta.

**"RBC"** means RBC Dominion Securities Inc.

**"RDSP"** means a registered disability savings plan.

**"Registration Rights Agreement"** has the meaning ascribed thereto under *"The Acquisition Agreement – Registration Rights Agreement"*.

**"Release Time"** means the time at which the Escrow Release Conditions are satisfied and the Corporation delivers the Notice to the Escrow Agent, acknowledged by the Lead Underwriters.

**"Resident Holder"** is a holder of Subscription Receipts who is resident in Canada for purposes of the Tax Act and any applicable income tax treaty.

**"RESP"** means a registered education savings plan.

**"RRIF"** means a registered retirement income fund.

**"RRSP"** means a registered retirement savings plan.

**"Second Period"** has the meaning ascribed thereto under *"Recent Developments – New Credit Facilities"*.

**"Securities"** has the meaning ascribed thereto under *"Canadian Federal Income Tax Considerations"*.

**"SEDAR+"** means the System for Electronic Data Analysis and Retrieval+.

**"Share Consideration"** has the meaning set forth in *"Recent Developments – The Acquisition"*.

**"Shareholders"** mean the holders of Common Shares from time to time.

**"Special Meeting"** means the special meeting of Shareholders to approve, among other things, the issuance of the Share Consideration.

**"Sproule"** means Sproule Associates Limited, independent petroleum consultants of Calgary, Alberta.

**"Subscription Receipt Agreement"** means the agreement to be dated the Closing Date among InPlay, the Lead Underwriters and the Escrow Agent governing the terms of the Subscription Receipts.

**"Subscription Receipt Beneficial Owner"** means a purchaser acquiring a beneficial interest in the Subscription Receipts.

**"Subscription Receipts"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Tax Act"** means the *Income Tax Act* (Canada), as amended, including the regulations promulgated thereunder.

**"taxable capital gain"** has the meaning ascribed thereto under *"Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses"*.

**"TCP Conditions"** has the meaning ascribed thereto under *"Canadian Federal Income Tax Considerations – Holders Not Resident of Canada – Other Dispositions of Subscription Receipts"*.

**"Term Facility"** has the meaning ascribed thereto under *"Recent Developments – New Credit Facilities"*.

**"Term Sheets"** has the meaning ascribed thereto under *"Documents Incorporated by Reference"*.

**"Termination Event"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Termination Payment"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Termination Time"** means the time of the occurrence of a Termination Event.

**"Termination Top-up"** has the meaning ascribed thereto under *"Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Acquisition Failing to Close"*.

**"TFSA"** means a tax-free savings account.

**"Third Period"** has the meaning ascribed thereto under *"Recent Developments – New Credit Facilities"*.

**"TPIIP"** means Total Petroleum Initially-In-Place.

**"TSX"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"U.S. Institutional Accredited Investors"** has the meaning ascribed thereto under *"Plan Of Distribution"*.

**"U.S. Treaty Holder"** has the meaning ascribed thereto under *"Certain Canadian Federal Income Tax Considerations – Holding and Disposing of Common Shares – Dividends on Common Shares"*.

**"Underwriters' Fee"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Underwriters"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"Underwriting Agreement"** has the meaning ascribed thereto on the face page of this Prospectus Supplement.

**"United States"** or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

**"Vendor"** means, collectively, Obsidian Energy Ltd., Obsidian Energy Partnership and 1647456 Alberta Ltd.

**"WGC Unit Interest"** means InPlay's entire working interest in Willesden Green Cardium Unit 2.

**"\$"** means Canadian dollars, unless otherwise specified.

#### **IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT**

This document is comprised of two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and certain other matters and also adds to, and updates information contained in, the accompanying Prospectus, and the documents incorporated by reference therein. The second part, the accompanying Prospectus, gives more general information about securities the Corporation may offer from time to time, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of the Offering.

Before you invest, you should carefully read this Prospectus Supplement, the accompanying Prospectus and all information incorporated by reference therein. These documents contain information you should consider when making your investment decision. This Prospectus Supplement may add, update or change information contained in the accompanying Prospectus or any of the documents incorporated by reference therein. To the extent that any statement made in this Prospectus Supplement is inconsistent with statements made in the accompanying Prospectus or any documents incorporated by reference therein filed prior to the date of this Prospectus Supplement, the statements made in this Prospectus Supplement will be deemed to modify or supersede those made in the accompanying Prospectus and such documents incorporated by reference therein.

You should rely only on the information contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus. The Corporation has not, and the Underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Corporation and the Underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you or any representation that others may make to you. You should assume that the information contained in this Prospectus Supplement and the accompanying Prospectus, as well as information filed with the securities regulatory authorities in each of the provinces and territories in Canada that is incorporated by reference in the accompanying Prospectus, is accurate only as of its respective date. The Corporation's business, financial condition, results of operations and prospects may have changed since those dates. You should not assume that the information appearing in this Prospectus Supplement or the Prospectus, or any documents incorporated by reference therein, is accurate as of any date other than the date on the front of those documents as the Corporation's business, operating results, financial condition and prospects may have changed since that date. A prospective purchaser should carefully read this Prospectus Supplement, the Prospectus and the documents incorporated by reference therein and consult its own professional advisors to assess the risks associated with, and the income tax, legal and other aspects of, an investment in the Subscription Receipts and the Common Shares underlying the Subscription Receipts.

This Prospectus Supplement does not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any securities offered by this Prospectus Supplement by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation. The Subscription Receipts will not be offered or sold, including by way of "private placement" or otherwise, in Québec or to purchasers resident in Québec as part of the Offering.

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of qualifying the distribution of the Subscription Receipts and Common Shares underlying the Subscription Receipts. Other documents are also incorporated, or deemed to be incorporated, by reference into the Prospectus. See "*Documents Incorporated by Reference*".

The information contained on the Corporation's corporate website is not included or incorporated by reference in this Prospectus Supplement and prospective investors should not rely on such information when deciding whether or not to invest in the Subscription Receipts and Common Shares underlying the Subscription Receipts.

## EXCHANGE RATES

In this Prospectus Supplement, all dollar amounts are expressed in Canadian dollars. Accordingly, all references to "\$" or "dollars" are to the lawful currency of Canada and all references to "US\$" are to the lawful currency of the United States. In this Prospectus Supplement, where applicable, and unless otherwise specified, dollar amounts are converted from U.S. dollars to Canadian dollars by applying the daily average rate of exchange for conversion of one U.S. dollar to Canadian dollars, as reported by the Bank of Canada on February 20, 2025.

The following table sets forth, for each of the periods indicated, the period end daily average exchange rate, the average daily exchange rate and the high and low daily average exchange rates of one U.S. dollar in exchange for Canadian dollars, as reported by the Bank of Canada.

Nine Months Ended September 30		Year Ended December 31,		
2024	2023	2024	2023	2022

End of Period.....	\$1.3499	\$1.3520	\$1.4389	\$1.3226	\$1.3544
Average .....	\$1.3604	\$1.3456	\$1.3698	\$1.3497	\$1.3013
High.....	\$1.3858	\$1.3807	\$1.4416	\$1.3875	\$1.3856
Low .....	\$1.3316	\$1.3128	\$1.3316	\$1.3128	\$1.2451

On February 20, 2025, the daily average rate of exchange for the conversion of one U.S. dollar into Canadian dollars, as reported by the Bank of Canada, was US\$1.00 equals \$1.4188 Canadian dollar.

### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus Supplement, and in certain documents incorporated by reference into this Prospectus Supplement, constitute forward-looking statements. All forward-looking statements are based on the Corporation's beliefs and assumptions based on information available at the time such assumptions were made. The use of any of the words "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "target", "intend", "could", "would", "might", "should", "believe", "forecast", "possible", "likely", "strategy", "future" and similar expressions are intended to identify forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus Supplement should not be unduly relied upon.

The reports of KPMG which are included in this Prospectus Supplement and of PwC which are incorporated by reference in this Prospectus Supplement refer exclusively to the historical financial statements described therein and do not extend to the prospective financial information included in this Prospectus Supplement and should not be read to do so.

In particular, this Prospectus Supplement and the documents incorporated by reference herein contain forward-looking statements pertaining to, but not limited to, the following:

- the Offering, including the use of proceeds from the Offering;
- completion of the Offering, the Acquisition, and entering into of the New Credit Facilities and the timing thereof;
- receipt of the required approvals, including but not limited to, approval by the TSX for the issuance of the Share Consideration, approval of the Issuance Resolution and approval under the *Competition Act* (Canada);
- the Corporation's dividend policy and the dividends payable thereunder including any Dividend Equivalent Payments;
- the anticipated terms of the New Credit Facilities;
- the anticipated benefits of the Acquisition, including the impact of the Acquisition on the Corporation's operations, reserves, inventory and opportunities, financial condition, access to capital and overall strategy;
- the listing of the Subscription Receipts issued pursuant to the Offering, including any Subscription Receipts issued pursuant to the exercise of the Over-Allotment Option;
- expectations with respect to production levels, operating netback per boe, free funds flow, adjusted funds flow, free adjusted funds flow, operating income, operating income profit margin, production per debt adjusted share, capital expenditures and net debt/earnings before interest, taxes, depreciation and amortization ("**EBITDA**") following the Offering and the Acquisition;
- the pro forma financial and reserves information following completion of the Acquisition, the Offering and the entering into of the New Credit Facilities;
- the pro forma inventory following completion of the Acquisition;
- the anticipated payment of Dividend Equivalent Payments;
- InPlay's pro forma hedging profile and the anticipated timing thereof;
- all estimates relating to the year ended December 31, 2024;
- 2025 guidance;
- the anticipated number of Common Shares to be issued to the Vendor;

- development and drilling plans for the Acquired Assets, including the drilling locations associated therewith and timing of results therefrom;
- capacity of infrastructure;
- the performance characteristics of the oil and natural gas properties of the Corporation and the Acquired Assets;
- the estimated quantity of the Corporation's oil and natural gas reserves and anticipated future cash flows from such reserves;
- the estimated quantity of the oil and gas reserves associated with the Acquired Assets and anticipated future cash flows from such reserves;
- the Corporation's business strategy, milestones and objectives;
- the source of funding for the Corporation's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates;
- possible changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes; and
- InPlay's business and acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the material risk factors set forth below, elsewhere in this Prospectus Supplement and in the documents incorporated by reference herein:

- inability to complete the Acquisition and/or the Offering on the terms as contemplated;
- the conditions to completion of the Acquisition may not be satisfied or waived, as applicable;
- the occurrence of an Adverse Tariff Event and the implications thereof;
- the conditions to the completion of the Offering may not be satisfied;
- failure to realize the anticipated benefits of the Acquisition;
- the risk that the governments of the U.S. and/or Canada amend existing tariffs or impose new tariffs on one another's goods, including crude oil and natural gas, and that such amended or new tariffs adversely affect the demand and/or market price for the Corporation's products and/or otherwise adversely affect the Corporation;
- magnitude and duration of potential new or increased tariffs may be imposed on goods imported from Canada into the United States, which could adversely impact revenues;
- unforeseen difficulties in integrating the Acquired Assets into the Corporation's operations;
- volatility in market prices for oil and natural gas;
- the impacts of the ongoing Israeli-Hamas-Hezbollah conflict and potentially the broader Middle-East region, and Russia-Ukraine wars and any associated sanctions as well as OPEC+ curtailments on the global economy and commodity prices;
- conditions in international markets, including social and political conditions, civil unrest, terrorist activity, governmental changes, restrictions on the ability to transfer capital across borders, tariffs and other protectionist measures, difficulties in protecting and enforcing its intellectual property rights and governmental expropriation of assets;
- impacts of any tariffs imposed on Canadian exports into the United States by the Trump administration and any retaliatory steps taken by the Canadian federal government;
- impact of U.S. legislative and regulatory policies;
- operational risks and liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- changes in royalty regimes;



- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisition);
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- adverse effects on general economic conditions in Canada, the United States and globally, including due to pandemics and international conflicts;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of InPlay's exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- ability to obtain regulatory approvals;
- the results of litigation or regulatory proceedings that may be brought against the Corporation;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- the other factors discussed under "*Risk Factors*" herein and in the AIF, Annual MD&A and Interim MD&A.

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

This Prospectus Supplement contains FOPI about the Corporation's prospective results of operations, operating costs, expenditures, decline rates, debt and leverage targets, production and components thereof, operating netback per boe, funds flow, adjusted funds flow, free adjusted funds flow, operating income, operating income profit margin, production per debt adjusted share, net debt/EBITDA and InPlay's consolidated capitalization pro forma the Offering and Acquisition, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOPI contained in this Prospectus Supplement was made as of the date of this Prospectus Supplement and was provided for the purpose of describing the anticipated effects of the Offering and the Acquisition on the Corporation's business operations. The Corporation disclaims any intention or obligation to update or revise any FOPI contained in this Prospectus Supplement, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOPI contained in this Prospectus Supplement should not be used for purposes other than for which it is disclosed herein. See "*Risk Factors*", "*Underlying Assumptions*" and "*Special Note Regarding Forward-Looking Statements*".

With respect to forward-looking statements contained in this Prospectus Supplement, the Corporation has made assumptions regarding, among other things: the timing and receipt of regulatory, Shareholder and third party approvals; the timing and completion of the Offering, the Acquisition and entering into of the New Credit Facilities; that commodity prices will be consistent with the current forecasts of its engineers; Operating Netback per Boe; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; royalty regimes will not be subject to material modification; that the Corporation will be able to obtain skilled labour and other industry services at reasonable rates; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Corporation's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Corporation will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that no new tariffs will be introduced; expectations regarding exchange rates and differentials; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Corporation's expectations.

The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this Prospectus Supplement in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. Forward-looking statements contained in certain documents incorporated by reference into this Prospectus Supplement are based on the key assumptions and are subject to the risks described herein and in the documents incorporated by

reference herein. The reader is cautioned that such assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect.

**Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this Prospectus Supplement, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. These forward-looking statements contained in this Prospectus Supplement are made as of the date of this Prospectus Supplement, or in the case of the documents incorporated by reference herein, as of the dates of such documents, and except as required by applicable securities laws, neither InPlay nor any of the Underwriters undertake any obligation to publicly update or revise any forward-looking statements. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this Prospectus Supplement.**

## CONVERSIONS

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

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	cubic metres	28.317
cubic metres	cubic feet	35.315
Bbls	cubic metres	0.159
cubic metres	Bbls	6.289
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	hectares	0.405
Hectares	Acres	2.471
Gigajoules	MMbtu	0.950
MMbtu	gigajoules	1.0526

## ABBREVIATIONS

### Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
NGLs	natural gas liquids

### Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMbtu	million British Thermal Units
GJ	Gigajoule

### Other

AECO	the natural gas storage facility located at Suffield, Alberta, connected to TransCanada's Alberta System
Boe	barrel or barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil
Boe/d	barrels of oil equivalent per day
\$US	United States dollars
MBoe	thousand barrels of oil equivalent.
McFe	thousand cubic feet of gas equivalent
MMBoe	million barrels of oil equivalent
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
\$000s	thousands of dollars
\$MM	millions of dollars

## BARREL OF OIL EQUIVALENCY

The term "Boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term Boe may be misleading, particularly if used in isolation. **A Boe conversion ratio of 6 Mcf: 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. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1 Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.**

## CERTAIN OIL AND GAS ADVISORIES

### ***OOIP***

Original Oil-In-Place ("**OOIP**") is equivalent to Total Petroleum Initially-In-Place ("**TPIIP**") and has been estimated as of December 31, 2023. TPIIP, as defined in the COGE Handbook, is that quantity of petroleum that is estimated to exist in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. A portion of the TPIIP is considered undiscovered and there is no certainty that any portion of such undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of such undiscovered resources. With respect to the portion of the TPIIP that is considered discovered resources, there is no certainty that it will be commercially viable to produce any portion of such discovered resources. A significant portion of the estimated volumes of TPIIP will never be recovered. The OOIP contained in this Prospectus Supplement has been internally estimated by InPlay management.

### ***Drilling Locations***

This Prospectus Supplement discloses drilling inventory proved and probable locations. Proved locations and probable locations are derived from the InPlay Reserves Report and the Asset Reserves Report, respectively, and account for drilling locations that have associated proved and/or probable reserves, as applicable. The drilling locations considered for future development 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.

### ***Analogous Information***

Certain information in this Prospectus Supplement may constitute "analogous information" as defined in NI 51-101, including but not limited to, information relating to the areas in geographical proximity to lands that are or may be held by InPlay. Such information has been obtained from government sources, regulatory agencies or other industry participants. InPlay believes the information is relevant as it helps to define the reservoir characteristics in which InPlay may hold an interest, however InPlay is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor. Such information is not an estimate of the reserves or resources attributable to lands held or potentially to be held by InPlay and there is no certainty that the reservoir data and economics information for the lands held or potentially to be held by InPlay will be similar to the information presented herein. The reader is cautioned that the data relied upon by InPlay may be in error and/or may not be analogous to such lands to be held by InPlay.

### ***Net Present Value (NPV) Estimates***

It should not be assumed that the net present value of the estimated future net revenues of the reserves of InPlay and/or the Acquired Assets included in this Prospectus Supplement 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. NPV10 BT represents NPV10 before tax where NPV10 represents the anticipated net present value of the future net revenue discounted at an annual rate of 10%. PDP NPV10 represents the anticipated net present value of the proved developed producing reserves discounted at an annual rate of 10%.

## DIVIDEND ADVISORY

InPlay's future shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof is uncertain. Any decision to pay dividends on InPlay's Common Shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) will be subject to the discretion of the Board of Directors and may depend on a variety of factors, including, without limitation, InPlay's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on InPlay under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board of Directors. There can be no assurance that InPlay will pay dividends in the future.

## NON-IFRS AND OTHER FINANCIAL MEASURES

References are made herein, and in certain of the documents incorporated by reference herein, to terms commonly used in the oil and natural gas industry. The Corporation uses "Free Adjusted Funds Flow", "Free Adjusted Funds Flow per share", "Free Adjusted Funds Flow Yield", "Operating Income", "Operating Netback per Boe", "Operating Income Multiple" and "Net Debt/EBITDA" which do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies.

These non-IFRS and other financial measures are described and defined in the Annual MD&A and Interim MD&A, respectively, as summarized below. See the Annual MD&A and Interim MD&A, respectively, for additional information including rationale for use of such measures and reconciliations to the nearest GAAP measure, as applicable. See "*Underlying Assumptions*".

### ***Non-GAAP Financial Measures and Ratios***

**"Free Adjusted Funds Flow"** is calculated as adjusted funds flow less exploration and development capital expenditures and property dispositions (acquisitions) and is a measure of the cashflow remaining after capital expenditures before corporate acquisitions that can be used for additional capital activity, corporate acquisitions, repayment of debt or decommissioning expenditures or potentially return of capital to Shareholders. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure and a reconciliation to the most directly comparable measure calculated in accordance with GAAP.

**"Free Adjusted Funds Flow per share"** is calculated as free adjusted funds flow divided by weighted average shares outstanding. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure.

**"Free Adjusted Funds Flow Yield"** is calculated by the Corporation as free adjusted funds flow divided by the market capitalization of the Corporation. When presented on an asset basis for acquisition purposes, free adjusted funds flow is calculated by the Corporation as free adjusted funds flow divided by the operating income of the Acquired Assets. Management considers FAFF yield to be an important performance indicator as it demonstrates the Corporation's or asset's ability to generate cash to pay down debt and provide funds for potential distributions to Shareholders. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure and a reconciliation to the most directly comparable measure calculated in accordance with GAAP.

**"Operating Income"** is calculated by the Corporation as oil and natural gas sales less royalties, operating expenses and transportation expenses and is a measure of the profitability of operations before administrative, share-based compensation, financing and other non-cash items. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure and a reconciliation to the most directly comparable measure calculated in accordance with GAAP.

**"Operating Netback per BOE"** is calculated by the Corporation as operating income divided by average production for the respective period. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure and a reconciliation to the most directly comparable measure calculated in accordance with GAAP.

"**Operating Income Multiple**" is calculated by the Corporation as Transaction consideration divided by operating income for the Acquired Assets for the relevant period. Refer below for a calculation of this measure.

		2025E
Net Consideration (after adjustments)	\$ millions	\$297
Operating Income	\$ millions	\$137
Operating Income Multiple		2.2x

"**Net Debt to EBITDA**" is calculated as Net Debt divided by EBITDA. EBITDA is calculated by the Corporation as adjusted funds flow before interest expense. When this measure is presented quarterly, EBITDA is annualized by multiplying by four. When this measure is presented on a trailing twelve month basis, EBITDA for the twelve months preceding the net debt date is used in the calculation. This measure is consistent with the EBITDA formula prescribed under the Existing Credit Facility. Refer to the section entitled "*Underlying Assumptions*" for a calculation of this measure and a reconciliation to the most directly comparable measure calculated in accordance with GAAP.

### ***Capital Management Measures***

#### ***Adjusted Funds Flow***

Management considers adjusted funds flow to be an important measure of InPlay's ability to generate the funds necessary to finance capital expenditures. Adjusted funds flow is a GAAP measure and is disclosed in the notes to the Interim Financial Statements. All references to adjusted funds flow throughout this document are calculated as funds flow adjusting for decommissioning expenditures. Decommissioning expenditures are adjusted from funds flow as they are incurred on a discretionary and irregular basis and are primarily incurred on previous operating assets. The Corporation also presents adjusted funds flow per share whereby per share amounts are calculated using weighted average shares outstanding consistent with the calculation of profit per Common Share.

#### ***Net Debt***

Net debt is a GAAP measure and is disclosed in the notes to the Interim Financial Statements. InPlay closely monitors its capital structure with the goal of maintaining a strong balance sheet to fund the future growth of InPlay. The Corporation monitors net debt as part of its capital structure. The Corporation uses net debt (bank debt plus accounts payable and accrued liabilities less accounts receivables and accrued receivables, prepaid expenses and deposits and inventory) as an alternative measure of outstanding debt. Management considers net debt an important measure to assist in assessing the liquidity of the Corporation.

#### ***Free Funds Flow***

Management considers free funds flow to be an important measure of InPlay's ability to generate the funds necessary after capital expenditures and decommissioning expenditures to improve its financial condition through debt repayment and its ability to provide returns to Shareholders. Free funds flow is comprised of GAAP measures disclosed in the notes to the Interim Financial Statements. All references to free funds flow herein are calculated as funds flow less exploration and development capital expenditures and property dispositions (acquisitions).

### **CAUTION REGARDING UNAUDITED PRO FORMA OPERATING STATEMENT**

This Prospectus Supplement contains unaudited pro-forma operating statements for InPlay for the nine months ended September 30, 2024 and the year ended December 31, 2023, giving effect to the Acquisition attached hereto as Appendix "B" (the "**Pro Forma Financial Statements**"). The line items of the Pro Forma Financial Statements have been prepared in accordance with accounting policies that are permitted by IFRS Accounting Standards and the financial reporting framework specified in subsection 3.14 of NI 52-107 for acceptable accounting policies for pro forma financial statements.

The Pro Forma Financial Statements have been prepared from information derived from, and should be read in conjunction with:

- the Annual Financial Statements;
- the Interim Financial Statements; and
- the Acquired Assets Operating Statement.

The Pro Forma Financial Statements assume that the Acquisition occurred on January 1, 2023. In preparing the Pro Forma Financial Statements, the Corporation has not independently verified the audited Acquired Assets Operating Statement. The Pro Forma Financial Statements are not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected therein occurred on the dates indicated. Actual amounts recorded upon the finalization of adjustments to the cash portion of the Purchase Price pursuant to the Acquisition Agreement may differ from the amounts reflected in the Pro Forma Financial Statements. Since the Pro Forma Financial Statements have been developed to retroactively show the effect of transactions that are expected to occur at a later date, and even though such statements were prepared following generally accepted principles using reasonable assumptions, the Pro Forma Financial Statements reflect limitations inherent in the very nature of pro forma data. Undue reliance should not be placed on the Pro Forma Financial Statements. See "*Special Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference into the Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada.** Copies of the documents incorporated therein by reference may be obtained on request without charge from InPlay's Chief Financial Officer, at Suite 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3N9, Telephone (587) 955.9570. In addition, copies of the documents incorporated therein by reference may be obtained from the securities commissions or similar authorities in the provinces and territories of Canada and are also available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purposes of qualifying the distribution of the Subscription Receipts and the Common Shares underlying the Subscription Receipts.

The following documents, filed with the securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of, the Prospectus, provided that such documents are not incorporated by reference to the extent that their contents are modified or superseded by a statement contained in this Prospectus Supplement, the Prospectus or in any other subsequently filed document that is also incorporated by reference into the Prospectus:

1. the AIF;
2. the Annual Financial Statements;
3. the Annual MD&A;
4. the Interim Financial Statements;
5. the Interim MD&A;
6. the 2024 Information Circular;
7. the template version of the investor presentation prepared for potential investors in connection with the Offering, dated and filed February 19, 2025 (the "**Investor Presentation**");
8. the template version (as such term is defined in NI 41-101) of the term sheet for the Subscription Receipts prepared for potential investors in connection with the Offering, dated and filed February 19, 2025 (the "**Initial Term Sheet**"); and

9. the template version (as such term is defined in NI 41-101) of the amended term sheet for the Subscription Receipts prepared for potential investors in connection with the Offering, dated and filed February 20, 2025 (together with the Initial Term Sheet, the "**Term Sheets**").

Any documents of the type referred to above and required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any material change reports (excluding material change reports filed on a confidential basis), interim financial reports, annual financial statements and the auditors' reports thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms and business acquisition reports, as well as all prospectus supplements disclosing additional or updated information relating to the Offering of the Subscription Receipts and Common Shares underlying the Subscription Receipts, filed by the Corporation with the securities commissions or similar authorities in each of the provinces and territories of Canada subsequent to the date of this Prospectus Supplement and prior to the completion or termination of the Offering shall be deemed to be incorporated by reference into the Prospectus for purposes of the Offering. These documents will be available through the internet on SEDAR+ which can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

**Any statement contained in the Prospectus, in this Prospectus Supplement or in any other document (or part thereof) incorporated or deemed to be incorporated by reference into the Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement, to the extent that a statement contained herein or in any other subsequently filed document (or part thereof) which also is, or is deemed to be, incorporated by reference in the Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement or the Prospectus.**

## **MARKETING MATERIALS**

The Term Sheets and the Investor Presentation are incorporated by reference into the Prospectus, but do not form part of this Prospectus Supplement or the Prospectus to the extent that the contents thereof have been modified or superseded by a statement contained in this Prospectus Supplement.

Any "template version" of any other "marketing materials" (as such terms are defined in NI 41-101) relating to the Offering filed with the securities commissions or similar authority in each of the provinces and territories of Canada after the date of this Prospectus Supplement and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) are deemed to be incorporated by reference into the Prospectus.

## **INPLAY OIL CORP.**

InPlay has been engaged in the business of exploring for, developing and producing oil and natural gas, and acquiring oil and natural gas properties in western Canada since it commenced operations in June 2013. Since commencing operations, InPlay has concentrated on exploration and development drilling of prospects in the province of Alberta. InPlay's operations are currently directed principally towards light oil prospects in its Pembina and Rocky Mountain House areas and its emerging East Basin Duvernay light oil play.

The business plan of InPlay has been to generate profitable growth in production, reserves and funds flow from operations and commencing in late 2022, a sustainable dividend program. To accomplish this, InPlay has focused on building a large, low decline, light oil focused asset base. InPlay targets prospects in areas that it believes could result in meaningful reserve and production additions. See "*Corporate Structure*", "*Description and General Development of the Business*" and "*Statement of Reserves Data and Other Oil and Gas Information*" in the AIF incorporated by reference herein. Readers are encouraged to review this information as it contains important information about InPlay.

InPlay's head office is located at Suite 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3N9 and InPlay's registered office is located at Suite 2400, 525 - 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1G1.

## RECENT DEVELOPMENTS

### The Acquisition

#### Overview

On February 19, 2025, InPlay and Vendor entered into the Acquisition Agreement, pursuant to which InPlay agreed to acquire certain of the Vendor's Pembina Cardium assets (the "**Acquired Assets**") in consideration for \$309.9 million comprised of: (i) \$305.5 million (prior to adjustment) in cash and equity; and (ii) the transfer of InPlay's entire WGC Unit Interest. The \$305.5 million cash and equity component of the Purchase Price is payable as to \$85,000,000 in Common Shares and \$220,500,000 in cash, subject to adjustment in certain circumstances.

The Purchase Price payable by the Corporation in connection with the Acquisition shall be funded by:

- the aggregate net proceeds of the Offering;
- drawings under the New Credit Facilities, see "*Recent Developments – New Credit Facilities*";
- the issuance to the Vendor of an aggregate of 54,838,709 Common Shares of InPlay at a deemed price of \$1.55 per Common Share (the "**Share Consideration**"); and
- the transfer to the Vendor on the Acquisition Closing Date of the WGC Unit Interest.

#### The Acquired Assets

The Acquired Assets are located in the Pembina Cardium area near Drayton Valley in West Central Alberta. The Acquired Assets include an average working interest of approximately 68% in a large, primarily contiguous land base of 468,758 gross (317,751 net) acres of petroleum and natural gas rights.

#### Benefits of the Acquisition

The Acquisition is consistent with InPlay's business model of acquiring high quality, operated, light and medium gravity crude oil reservoirs with large OOIP. The Acquisition represents high working interest, operated, and high netbacks production with extensive infrastructure to facilitate years of future development drilling and waterflood/enhanced oil recovery optimization.

#### Acquisition Highlights

- **>100% Increase in Production and >170% Increase in Light Oil Production:** The Acquired Assets are expected to more than double InPlay's production to over 18,750 Boe/d<sup>2</sup>, with oil production expected to increase to over 9,500 bbl/d.
- **Highly Accretive Acquisition Metrics:** The Acquisition is expected to be completed at 2.2x 2025E operating income<sup>(1)(2)</sup>, 0.5x Proved Developed Producing ("**PDP**") NPV10% before tax reserve value<sup>(3)(4)</sup> and 0.4x Proved NPV10% before tax reserve value<sup>(3)(4)</sup>; per-share accretion +40% on 2025E adjusted funds flow ("**AFF**")<sup>(5)</sup> and +65% on 2025E pre-dividend free funds flow.
- **Strengthened Free Funds Flow and Shareholder Return Profile:** InPlay's annual dividend of \$0.18/share (11.6% dividend yield<sup>(6)</sup> based on share price of \$1.55/share), is supported by 2025E estimated free funds flow<sup>5</sup> of \$105 million (41% free funds flow yield<sup>3</sup> based on pro-forma market capitalization<sup>(5)</sup>) which is more than 3x InPlay's current base dividend.
- **Low Decline, Long-Life Reserves with Deep Drilling Inventory:** The Acquired Assets have a 22% PDP decline rate<sup>(7)</sup>, a PDP reserve life index<sup>(3)</sup> of 8.3 years and a Proved reserve life index<sup>(3)</sup> of 11.8 years, including a deep inventory of tier 1 Cardium locations<sup>(3)(4)</sup>.
- **InPlay to Unlock Operational Synergies:** The Acquired Assets are expected to directly offset InPlay's existing asset in Pembina, and are expected to provide significant operational synergies on infrastructure, field operations and optimization of development activities.



The Acquisition is expected to strengthen InPlay's ability to drive Shareholder returns through the consolidation of directly contiguous lands where management has demonstrated operational expertise. InPlay expects to benefit from materially increased operational scale, higher oil-weighting, enhanced free funds flow generation and the addition of high quality drilling inventory. Importantly, InPlay also anticipates that Shareholder returns will become more resilient and will be enhanced through additional free funds flow underpinned by the lower-decline, less capital-intensive nature of the Acquired Assets. InPlay's cash dividend of \$0.18/share (annualized) is expected to be supported by \$105 million in free funds flow equal to more than 3.0x the annual base dividend, strongly reinforcing the sustainability of the Corporation's 11.6% dividend yield based on a Common Share price of \$1.55/share.

The Acquisition is expected to be transformational for InPlay and is expected to deliver the following benefits for stakeholders:

- Large OOIP, high value oil pools under waterflood/enhanced oil recovery enhance netbacks and free funds flow generation. The Acquired Assets increase corporate 2025E production by over 100% highlighted by a >170% increase in oil production while reducing corporate declines from approximately 26% to 24%;
- Attractive and accretive acquisition price at 2.2x 2025E operating income<sup>(1)(2)</sup>. Acquired Assets purchased for 0.5x PDP NPV10%<sup>(3)(4)</sup> and 0.4x Proved NPV10%<sup>(3)(4)</sup> under year-end 2023 reserves for the Acquired Assets;
- The Acquired Assets are +40% accretive to InPlay's 2025 AFF<sup>(5)</sup> per share and +65% accretive to InPlay's 2025 pre-dividend free funds flow<sup>(5)</sup> per share;
- Dividend sustainability expected to be enhanced due to the high oil weighting and low decline oil revenue stream, generating pro-forma free funds flow<sup>7</sup> of \$105 million (41% free funds flow yield<sup>(1)</sup> based on pro-forma market capitalization<sup>(6)</sup>) equal to more than 3x InPlay's existing base dividend;
- With pro forma PDP NPV10% reserve value of \$792 million<sup>(3)(4)</sup> based on year-end 2023 reserves evaluation and commodity prices, the Acquisition will establish InPlay as a leader in the region and one of the largest publicly-listed Pembina Cardium oil operators; and
- The Corporation will continue to have a strong leverage profile, with estimated 2025E exit net debt to 2025 EBITDA<sup>(1)(8)</sup> ratio of 0.9x.

Notes:

- (1) See "Non-IFRS and Other Financial Measures"
- (2) 2025 operating income estimate uses strip pricing from January through March 2025 and the following assumptions thereafter: US\$72 WTI, US\$4.50 MSW differential, \$1.90 AECO and 0.70 FX.
- (3) InPlay reserves prepared by Sproule effective December 31, 2023 using 3 Consultant's Average price deck as at December 31, 2023. Acquired Asset reserves prepared by GLJ, effective December 31, 2023 using 4 Consultant's Average price deck as at January 1, 2024. Acquired Asset booked locations as per GLJ, effective December 31, 2023. The pro forma reserves are the sum of the two reserve reports. The actual reserves of the combined company, if evaluated as of December 31, 2024, may differ from the pro forma reserves presented. See "Drilling Locations" for additional details regarding drilling locations. "PDP Reserve Life Index" is calculated as the year end PDP reserves divided by the annualized production from those reserves. "Proved Reserve Life Index" is calculated as the year end proved reserves divided by the annualized production from those reserves.
- (4) Estimated future abandonment and reclamation costs relating only to reserve wells and active pipelines and facilities were taken into account by GLJ in determining the aggregate future net revenue therefrom. Estimated future abandonment and reclamation costs related to inactive wells, pipelines and facilities were not taken into account by GLJ in determining the aggregate future net revenue therefrom.
- (5) Capital management measure. See "Non-IFRS and Other Financial Measures".
- (6) InPlay pro forma market capitalization using pro forma basic shares outstanding and bought deal equity offering price of \$1.55 per Common Share. Enterprise value is calculated as equity value plus net debt.

Average production from the Acquired Assets is expected to be approximately 10,000 Boe/d at the Acquisition Closing Date, consisting of approximately 6,100 bbl/d of light and medium crude oil (61%), 700 bbl/d of NGLs (7%) and 19,200 Mcf/d of conventional natural gas (32%). Significant growth opportunities have been identified on the 468,758 gross (317,751 net) acres of Pembina Cardium land associated with the Acquired Assets.

The production profile of the Acquired Assets is expected to compliment InPlay's existing core area with sizeable drilling inventory for InPlay in the Cardium play with additional potential upside in the formation. The Acquired Assets have the following characteristics:

Purchase Price <sup>(1)</sup>	\$309.9 million
2025E average daily sales volumes <sup>(2)(3)</sup>	10,000 Boe/d (68% oil and NGL)
2025E Oil weighting <sup>(3)</sup>	61%
Annual decline rate <sup>(4)</sup>	22%
PDP Reserve Life Index <sup>(5)</sup>	8.3 years
Proved Reserve Life Index <sup>(5)</sup>	11.8 years
Total Proved and Probable locations (net) <sup>(5)</sup>	135 booked
2025E operating netback <sup>(6)(7)</sup>	\$37/Boe
Reserves as December 31, 2023 <sup>(5)(8)</sup>	
PDP	31,711 Mboe
Proved	50,504 Mboe
Proved plus Probable	72,600 Mboe
Acquisition metrics (2025E) <sup>(9)</sup>	
Multiple of operating income <sup>(6)(7)</sup>	2.2x
Free Funds Flow Yield <sup>(6)</sup>	25%
Multiple of flowing barrel production <sup>(3)</sup>	\$29,670/Boe/d
Multiple of PDP reserves <sup>(5)</sup>	\$9.37/Boe
Multiple of Proved Reserves <sup>(5)</sup>	\$5.88/Boe

## Notes:

- (1) Purchase Price values the Share Consideration at a deemed value per Common Share of \$1.55 and includes the value of InPlay's WGC Unit Interest, which has an estimated PDP NPV10 of approximately \$4.4 million, as evaluated by Sproule, effective December 31, 2023 using 3 Consultant's Average price deck as at December 31, 2023. Assumes no adjustment, see "*Recent Developments – The Acquisition – Overview*".
- (2) See "Production Breakdown by Product Type"
- (3) 2025 production and oil weighting estimated using January 2025 actuals and estimated balance of year production.
- (4) InPlay estimated annual decline rates. "Decline" is the rate at which production from a grouping of assets falls from the beginning of a fiscal year to the end of that year.
- (5) InPlay reserves prepared by Sproule effective December 31, 2023 using 3 Consultant's Average price deck as at December 31, 2023. Acquired Asset reserves prepared by GLJ effective December 31, 2023 using 4 Consultant's Average price deck as at January 1, 2024. Acquired Asset booked locations as per GLJ, effective December 31, 2023. The pro forma reserves are the sum of the two reserve reports. The actual reserves of the combined company, if evaluated as of December 31, 2024, may differ from the pro forma reserves presented. See "Drilling Locations" for additional details regarding drilling locations. "PDP Reserve Life Index" is calculated as the year end PDP reserves divided by the annualized production from those reserves. "Proved Reserve Life Index" is calculated as the year end proved reserves divided by the annualized production from those reserves.
- (6) See "Non-IFRS and Other Financial Measures"
- (7) 2025 operating income estimate uses strip pricing from January through March 2025 and the following assumptions thereafter: US\$72 WTI, US\$4.50 MSW differential, \$1.90 AECO and 0.70 FX.
- (8) Estimated future abandonment and reclamation costs relating only to reserve wells and active pipelines and facilities were taken into account by GLJ in determining the aggregate future net revenue therefrom. Estimated future abandonment and reclamation costs related to inactive wells, pipelines and facilities were not taken into account by GLJ in determining the aggregate future net revenue therefrom.
- (9) The acquisition cost metrics are based on the Purchase Price of \$309.9 million and estimated 2025 net operating cash flow using strip pricing from January through March 2025 and the following assumptions thereafter: US\$72 WTI, US\$4.50 MSW differential, \$1.90 AECO and 0.70 FX. The aggregate net consideration to be paid by the Corporation in respect of the Acquisition is estimated to be \$297 million, comprised of approximately \$208 million in cash consideration, \$85 million in Share Consideration (being the issuance of 54.8 million Common Shares at a deemed issuance price of approximately \$1.55 per Common Share) and the transfer of InPlay's entire WGC Unit Interest.

The TSX Company Manual requires the approval of the Issuance Resolution at the Special Meeting with support required from at least 50% of the votes cast by Shareholders present in person or represented by proxy. The Special Meeting is anticipated to be held on April 4, 2025. Additionally, completion of the Acquisition is subject to customary closing conditions including, without limitation, receipt of customary regulatory and stock exchange approvals and approval under the *Competition Act* (Canada).

All of the directors and officers of InPlay, as well as InPlay's largest institutional Shareholder, CIP, have entered into voting support agreements pursuant to which they have agreed, subject to the terms thereof, to vote their Common Shares, representing in aggregate approximately 27% of the issued and outstanding Common Shares, in favour of the Issuance Resolution.

### ***Closing Conditions, Deposit and Liability Arrangements for the Acquisition***

Concurrent with the execution of the Acquisition Agreement, InPlay delivered a \$5,000,000 deposit (the "**Deposit**") in accordance with the terms of the Acquisition Agreement and the deposit escrow agreement. Pursuant to the terms

of the Acquisition Agreement, if the Acquisition is completed, the Deposit (together with any interest actually earned thereon) will be credited to the Purchase Price. If the Acquisition does not close due to the occurrence of an Adverse Tariff Event which has expressly resulted in one or both of the Offering and/or the establishment of the New Credit Facilities being terminated or if InPlay fails to meet its conditions under Section 4.3 of the Acquisition Agreement the Vendor shall be entitled to retain the Deposit (and any interest actually earned thereon). If the Acquisition does not close due to failure of InPlay to receive approval of the Issuance Resolution or InPlay's failure to receive approval of the TSX as a result of the failure to obtain approval of the Issuance Resolution, InPlay's inability to satisfy its conditions to closing under the Acquisition Agreement (except as a result of a continuing Adverse Tariff Event that results in one or both of the Offering or the establishment of the New Credit Facilities being terminated), which include, among other things, payment of the Purchase Price, including the conveyance of InPlay's WGC Unit Interest, and issuance of the Share Consideration, the entering into of the Registration Rights Agreement, Investor Rights Agreement and delivery of the Hold Period Agreements, the specific conveyances and asset conveyances as required by the Acquisition Agreement or the occurrence of Purchaser Change of Recommendation: (i) the Deposit will be forfeited to the Vendor together with any interest actually earned thereon; and (ii) InPlay will be required to pay a break fee of \$6,000,000 to the Vendor within two Business Days of the termination of the Acquisition Agreement. If closing of the Acquisition does not occur for any reason other than as noted above, the Deposit (and any interest actually earned thereon) will be returned to InPlay.

In connection with the Acquisition, the Vendor has agreed to indemnify InPlay and its related parties in respect of certain liabilities that may arise out of InPlay's acquisition of the Acquired Assets as a result of any breaches of the representations and warranties and covenants made by the Vendor. InPlay has agreed to indemnify the Vendor and its related parties in respect of certain liabilities arising out of the Acquisition Agreement, including any breaches of the representations and warranties and covenants by InPlay. Consistent with typical industry practice, InPlay has also agreed to indemnify the Vendor after closing for certain liabilities which relate to the Acquired Assets and for all past, present and future environmental liabilities for matters relating to the Acquired Assets.

### ***Significant Acquisition***

The Acquisition will represent a "significant acquisition" for the Corporation for the purposes of Part 8 of NI 51-102. Accordingly, InPlay will be required under Canadian Securities Laws to file a business acquisition report in respect of the Acquisition.

### ***Pro-forma 2025 Estimates***

Equity Value <sup>(1)</sup>	\$253 million
Enterprise Value <sup>(1)</sup>	\$505 million
Basic Common Shares Outstanding <sup>(1)</sup>	163 million
Production <sup>(2)(3)</sup>	18,750 Boe/d
Light Oil Weighting <sup>(3)</sup>	51%
Total Liquids Weighting <sup>(3)</sup>	62%
<u>Financial Highlights<sup>(3)</sup>:</u>	
EBITDA <sup>(4)</sup>	\$221 million
Adjusted Funds Flow <sup>(5)</sup>	\$205 million
Free Adjusted Funds Flow <sup>(5)</sup>	\$111 million
<u>Reserves as at December 31, 2023<sup>(6)(7)</sup>:</u>	
PDP	49,004 MBoe
Proved	96,423 MBoe
Proved plus Probable	134,195 MBoe
<u>Commodity price assumptions<sup>(3)</sup>:</u>	
WTI (USD \$/bbl)	\$72.00
MSW oil differentials (USD \$/bbl)	\$4.50
AECO natural gas (CAD \$/mcf)	\$1.90
CAD/USD foreign exchange	\$0.70

Notes

- (1) InPlay pro forma market capitalization using pro forma basic Common Shares outstanding and Offering price of \$1.55 per share. Pro forma shares assumes non exercise of over-allotment. Enterprise value is calculated as equity value plus net debt.
- (2) See "Production Breakdown by Product Type"
- (3) 2025E pro forma estimates have been presented as though InPlay acquired the Acquired Assets at January 1, 2025 notwithstanding that income from January 1, 2025 to March 31, 2025 represents a purchase price adjustment and such production will not be directly attributed to InPlay. 2025 pro forma estimate uses strip pricing from January through March 2025 and the following assumptions thereafter: US\$72 WTI, US\$4.50 MSW differential, \$1.90 AECO and 0.70 FX.
- (4) See "Non-IFRS and Other Financial Measures"
- (5) Capital management measure. See "Non-IFRS and Other Financial Measures".
- (6) InPlay reserves prepared by Sproule effective December 31, 2023 using 3 Consultant's Average price deck as at December 31, 2023. Acquired Asset reserves prepared by GLJ, effective December 31, 2023 using 4 Consultant's Average price deck as at January 1, 2024. Acquired Asset booked locations as per GLJ, effective December 31, 2023. The pro forma reserves are the sum of the two reserve reports. The actual reserves of the combined company, if evaluated as of December 31, 2024, may differ from the pro forma reserves presented. See "*Certain Oil and Gas Advisories*" for additional details regarding reserves estimates and drilling locations.
- (7) Estimated future abandonment and reclamation costs relating only to reserve wells and active pipelines and facilities were taken into account by GLJ in determining the aggregate future net revenue therefrom. Estimated future abandonment and reclamation costs related to inactive wells, pipelines and facilities were not taken into account by GLJ in determining the aggregate future net revenue therefrom.

For further information in respect of the Acquired Assets, please see "*Information Regarding the Acquired Assets*". See also Appendix "A" – Acquired Assets Operating Statement and Appendix "B" – Pro Forma Financial Statements for certain operating and pro forma financial statements associated with the Acquired Assets and completions of the Acquisition. **All information regarding the Acquired Assets contained herein, including all reserves and related information, financial information and all pro forma financial information reflecting the pro forma effects of the Acquisition, has been derived in part from the information provided by the Vendor and other third parties. See "Risk Factors".**

### *Underlying Assumptions*

The key budget and underlying material assumptions used by the Corporation in the development of its 2024 and 2025 guidance and 2025 pro-forma estimates are as follows:

		Actuals FY 2023	Guidance FY 2024 <sup>(1)</sup>	Guidance FY 2025 <sup>(1)</sup>	Pro-forma Estimate FY 2025
WTI	US\$/bbl	\$77.62	\$76.10	\$72.00	\$72.65
NGL Price	\$/Boe	\$36.51	\$33.10	35.40	48.65
AECO	\$/GJ	\$2.50	\$1.33	\$1.90	\$1.85
Foreign Exchange Rate	CDN\$/US\$	0.74	0.73	0.70	0.70
MSW Differential	US\$/bbl	\$3.25	\$4.55	\$4.50	\$4.75
Production	Boe/d	9,025	8,700 – 9,000	8,650 – 9,150	18,750
Revenue	\$/Boe	54.45	46.00 – 51.00	46.00 – 51.00	56.50 – 61.50
Royalties	\$/Boe	6.84	5.75 – 7.25	5.50 – 7.00	7.00 – 8.50
Operating Expenses	\$/Boe	15.05	13.50 – 15.50	13.00 – 15.00	16.00 – 18.00
Transportation	\$/Boe	0.95	0.85 – 1.10	0.90 – 1.15	0.90 – 1.15
Interest	\$/Boe	1.65	1.90 – 2.50	1.30 – 1.90	2.20 – 2.80
General and Administrative	\$/Boe	3.13	2.50 – 3.25	3.00 – 3.75	1.50 – 2.25
Hedging loss (gain)	\$/Boe	(1.10)	(0.50) – (1.00)	0.00 – 0.25	0.00 – 0.50
Decommissioning Expenditures	\$ millions	\$3.3	\$3.0 – \$3.5	\$3.0 – \$3.5	\$6.0
Adjusted Funds Flow	\$ millions	\$92	\$70 – \$73	\$69 – \$75	\$205
Dividends	\$ millions	\$16	\$16 – \$17	\$16.5	\$26
		Actuals FY 2023	Guidance FY 2024 <sup>(1)</sup>	Guidance FY 2025 <sup>(1)</sup>	Pro-forma Estimate FY 2025
Adjusted Funds Flow	\$ millions	\$92	\$70 – \$73	\$69 – \$75	\$205
Capital Expenditures	\$ millions	\$84.5	\$63	\$41 – \$44	\$94
Free Adjusted Funds Flow	\$ millions	\$7	\$7 – \$10	\$25 – \$34	\$111
Shares outstanding, end of year	# millions	90.3	90.1	90.4	163
Assumed share price	\$/share	\$2.21	\$1.73	\$1.65	1.55
Market capitalization	\$ millions	\$200	\$156	\$150	253
FAFF Yield	%	4%	4% – 6%	17% – 23%	41%
		Actuals FY 2023	Guidance FY 2024 <sup>(1)</sup>	Guidance FY 2025 <sup>(1)</sup>	Pro-forma Estimate FY 2025
Revenue	\$/Boe	54.45	46.00 – 51.00	46.00 – 51.00	56.50 – 61.50

Royalties	\$/Boe	6.84	5.75 – 7.25	5.50 – 7.00	7.00 – 8.50
Operating Expenses	\$/Boe	15.05	13.50 – 15.50	13.00 – 15.00	16.00 – 18.00
Transportation	\$/Boe	0.95	0.85 – 1.10	0.90 – 1.15	0.90 – 1.15
Operating Netback	\$/Boe	31.61	24.00 – 29.00	24.75 – 29.75	31.50 – 36.50
Operating Income Profit Margin		58%	55%	56%	58%
		Actuals FY 2023	Guidance FY 2024 <sup>(1)</sup>	Guidance FY 2025 <sup>(1)</sup>	Pro-forma Estimate FY 2025
Adjusted Funds Flow	\$ millions	\$92	\$70 – \$73	\$69 – \$75	\$205
Interest	\$/Boe	1.65	1.90 – 2.50	1.30 – 1.90	2.20 – 2.80
EBITDA	\$ millions	\$98	\$77 – \$81	\$74 – \$80	\$221
Net Debt	\$ millions	\$46	\$56 – \$59	\$52 – \$58	\$194
Net Debt/EBITDA		0.5	0.7 – 0.8	0.6 – 0.8	0.9

Notes:

- (1) As previously released February 4, 2025 and reflects InPlay prior to giving effect to the Acquisition, the Offering or the New Credit Facilities.
- (2) Quality and pipeline transmission adjustments may impact realized oil prices in addition to the MSW Differential provided above.
- (3) Changes in working capital are not assumed to have a material impact between the years presented above.

### ***Production Breakdown by Product Type***

Disclosure of production on a per Boe basis in this Prospectus Supplement consists of the constituent product types as defined in NI 51-101 and their respective quantities disclosed in the table below:

	Light and Medium Crude oil (bbls/d)	NGLs (Boe/d)	Conventional Natural gas (Mcf/d)	Total (Boe/d)
2025 Annual Guidance	3,425	1,510	23,790	8,900 <sup>(1)</sup>
2025E Pro Forma Post-Transaction	9,535	2,180	42,215	18,750
2025 WGC Unit Interest	105	8	225	150
2025 Acquired Assets Production	6,100	700	19,200	10,000

Notes:

- (1) This reflects the mid-point of the Corporation's pro-forma 2025 production guidance range of 8,650 to 9,150 Boe/d.
- (2) With respect to forward-looking production guidance, product type breakdown is based upon management's expectations based on reasonable assumptions but are subject to variability based on actual well results.

### **New Credit Facilities**

In connection with the Acquisition, the Corporation has entered into a commitment letter (the "**Commitment Letter**") with the Lenders pursuant to which the Lenders have agreed to provide an aggregate of \$330,000,000 senior secured credit facilities consisting of: (i) a \$50,000,000 revolving operating facility provided by ATB Financial (the "**New Operating Facility**"); (ii) a \$130,000,000 revolving syndicated credit facility provided by the Lenders, which may be increased to \$150,000,000 if certain conditions set out in the Commitment Letter are satisfied (the "**New Syndicated Facility**" and together with the New Operating Facility, the "**New Revolving Facilities**"); (iii) a \$120,000,000 non-revolving term facility provided by the Lenders, which may be reduced in accordance with the terms of the Commitment Letter (the "**Term Facility**"); and (iv) up to a \$30,000,000 letter of credit facility (the "**New LC Facility**") provided by ATB Financial available exclusively for satisfaction of the required deposit to the AER in respect of the transfer of the Acquired Assets to InPlay (collectively, the "**New Credit Facilities**"). The net proceeds of the Offering in excess of \$20,000,000 will be used to reduce the Term Facility and increase the availability under the New Syndicated Facility by corresponding amounts.

Pursuant to the Commitment Letter, within 30 days of the funding date, InPlay is required to enter into and maintain commodity agreements hedging not less than (i) 60% of InPlay's forecasted production for the period from the funding date to the period ending on the last day of the fiscal quarter ending September 30, 2025 (the "**First Period**"), (ii) 50% of forecasted production for the period comprising the two fiscal quarters immediately following the end of the First Period (the "**Second Period**"), and (iii) 40% of forecasted production for the period comprising the four fiscal quarters following the end of the Second Period (collectively, the "**Mandatory Hedges**"). The Mandatory Hedges are also

subject to certain floor pricing requirements throughout the various periods, if InPlay is unable to enter into and maintain such Mandatory Hedges it will be a breach of its affirmative covenants under the New Credit Facilities that could result in an event of default thereunder and its Lenders would have the option to cause all obligations under the New Credit Facilities to become immediately due and payable.

In addition to the Mandatory Hedges and the covenants included in the Existing Credit Facility, the Commitment Letter also includes covenants relating to: (i) InPlay's liability management ratio; (ii) InPlay's minimum abandonment and reclamation expenditures; (iii) notice requirements and restrictions of InPlay in respect of the permitted junior debt; and (iv) InPlay's debt to EBITDA ratio and fixed charge coverage ratio. In addition to customary closing conditions, it is a condition to the initial funding that an Adverse Tariff Event shall not have occurred from the date of the Commitment Letter except where any such Adverse Tariff Event and any adverse effects resulting therefrom are no longer continuing. If an Adverse Tariff Event occurs in the period between entering into the Commitment Letter and the initial funding, the Lenders are not required to fund pursuant to the Commitment Letter, in which event InPlay will be unable to complete the Acquisition.

InPlay anticipates that the Term Facility will be fully drawn at the Acquisition Closing Date to fund a portion of the Purchase Price. The Term Facility may be repaid in whole or in part at any time prior to maturity with no prepayment penalty and has a two (2) year term from the Acquisition Closing Date.

The Commitment Letter provides for a borrowing base redetermination of November 30, 2025, unless the Lenders decide a redetermination is required by June 30, 2025, and a maturity date of June 30, 2027 for the New Revolving Facilities. The New LC Facility has a one (1) year term from the Acquisition Closing Date.

For a complete description of the Corporation's Existing Credit Facility, see "*Consolidated Capitalization*" and Note 9 contained within the Interim Financial Statements incorporated by reference in the Prospectus.

## **THE ACQUISITION AGREEMENT**

The following is a summary of certain material provisions of the Acquisition Agreement and is qualified in its entirety by the full text of the Acquisition Agreement, which will be filed on InPlay's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Acquisition Agreement provides for the acquisition by InPlay of the Acquired Assets from the Vendor for the Purchase Price (subject to adjustments). The effective date of the Acquisition is December 1, 2024. InPlay will be entitled to receive all revenues and benefits arising from the ownership and operation of the Acquired Assets and shall be responsible for all obligations and expenditures in respect of the Acquired Assets on and after December 1, 2024. All benefits and obligations of any kind and nature relating to the ownership and operation of the Acquired Assets and the WGC Unit Interest shall be adjusted between InPlay and the Vendor, as of December 1, 2024. InPlay is required to pay interest of 6.50%, calculated daily and not compounded, on the \$305.5 million in cash and Common Shares forming part of the Purchase Price from December 1, 2024 to, and including, the Acquisition Closing Date. A final accounting of all apportionments required pursuant to the Acquisition Agreement will be carried out by the Vendor and a final settlement statement will be delivered to InPlay within 180 days of the Acquisition Closing Date.

Conditions to closing the Acquisition under the Acquisition Agreement include, but are not limited to: receipt of all necessary regulatory and stock exchange approvals, including *Competition Act* approval, Shareholder approval of the Issuance Resolution and any other matter required by the TSX at the Special Meeting, delivery of the applicable certificates of InPlay and the Vendor with respect to the accuracy of the representations and warranties provided by each party in the Acquisition Agreement, and that no Adverse Tariff Event shall have occurred, except where any such Adverse Tariff Event is no longer continuing and did not expressly result in the termination of this Offering or of the establishment of the New Credit Facilities.

The Acquisition Agreement contains customary representations and warranties from InPlay and the Vendor for a transaction of this nature, including in respect of corporate authority, organization and environmental matters. InPlay has also agreed to refrain from taking certain material actions, including but not limited to, payment of dividends other than the current monthly dividend; the solicitation and response to acquisition proposals; amendments to constating documents; material acquisitions and dispositions above \$5 million in the aggregate; issuance of equity (other than as contemplated by the Acquisition Agreement, including this Offering) or on the settlement of incentive securities;

issuance of new debt (other than the New Credit Facilities or draws under the Existing Credit Facility) prior to the Acquisition Closing Date without the prior written consent of the Vendor, such consent not to be unreasonably withheld or delayed.

Additionally, the Acquisition Agreement provides that InPlay shall not sell or issue, or propose to sell or issue, any Common Shares or other securities convertible into or exchangeable for Common Shares (other than the issue of: (i) the Share Consideration; (ii) securities pursuant to the Offering; (iii) incentive securities and the issue of Common Shares on the settlement of incentive securities, and (iv) securities issued pursuant to the acquisition of oil and gas assets from arms' length third parties) until the earlier of (x) the date that is six months after the Acquisition Closing Date, and (y) the date that the Vendor ceases to hold any Common Shares, in each case without the prior consent of the Vendor, such consent not to be unreasonably withheld or delayed.

On the Acquisition Closing Date, InPlay and the insiders of InPlay (including CIP) shall be required to enter into certain additional agreements with Obsidian. The following summaries of certain material provisions of each agreement listed below are qualified in their entirety by the full text of each agreement, respectively, all of which are appended to the Acquisition Agreement which will be filed on InPlay's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Registration Rights Agreement**

InPlay and Obsidian will enter into a registration rights agreement (the "**Registration Rights Agreement**") pursuant to which, InPlay shall be required to, among other things, maintain a short form (final) base shelf prospectus qualifying the Common Shares held by Obsidian for distribution (the "**Investor Distributable Securities**"). From the date that is six months from the Acquisition Closing Date and while Obsidian holds, directly or indirectly, collectively 10% or more of the outstanding Common Shares, Obsidian may, subject to certain requirements, require InPlay to prepare and file a secondary offering prospectus supplement under Canadian Securities Laws qualifying the distribution of some or all of the Investor Distributable Securities and Obsidian has also been granted piggyback rights to participate in equity offerings undertaken by InPlay and other Shareholders of InPlay.

### **Hold Period Agreements**

Each of InPlay's insiders, including CIP, are required to enter into agreements (the "**Hold Period Agreements**") on the Acquisition Closing Date with Obsidian, pursuant to which such persons will agree not to dispose of or hedge Common Shares or other securities convertible into or exchangeable for Common Shares, in each case without the prior written consent of Obsidian (such consent not to be unreasonably withheld or delayed), subject to certain exceptions, which include, but are not limited to (as applicable): (i) transfers to affiliates; (ii) transfers to a trustee in insolvency or bankruptcy; (iii) transfers to a child or spouse of the securityholder; (iv) certain permitted transfers in connection with bona fide tax or estate planning; (v) transfers of Common Shares (for cash proceeds) to exercise Options; (vi) transfers of incentive securities in connection with the exercise or settlement thereof; (vii) transfers of Common Shares acquired upon the exercise or settlement of incentive securities; (viii) in the case of CIP only, Share Distribution Transactions (as defined in the Hold Period Agreements); and (ix) in the case of InPlay insiders other than CIP, Permitted Management Transfers (as defined in the Hold Period Agreements). The Hold Period Agreements shall be effective from the Acquisition Closing Date to the earlier of (x) nine (9) months from the anniversary of the Acquisition Closing Date, and (y) the Business Day following the date on which neither Obsidian nor any of its Affiliates (as defined in the Hold Period Agreement) beneficially own any Common Shares, in each case without the prior consent of Obsidian, such consent not to be unreasonably withheld or delayed.

### **Investor Rights Agreement**

Obsidian will enter into an investor rights agreement (the "**Investor Rights Agreement**") with InPlay on the Acquisition Closing Date, pursuant to which Obsidian will have two (2) nominees appointed to the Board of Directors and the Board of Directors will be comprised of not more than eight (8) directors. For so long as Obsidian holds 20% or more of the issued and outstanding Common Shares and the Board of Directors is comprised of eight (8) members, Obsidian shall be entitled to: (i) two (2) representatives to be appointed to the Board of Directors to the extent that there are not at such time already two (2) representatives of Obsidian on the Board of Directors; and (ii) two (2) representatives nominated for election to the Board of Directors and included in a management slate of directors proposed by the Corporation at any meeting of the Shareholders thereafter at which directors are elected. For so long

as Obsidian holds 10% or more of the issued and outstanding Common Shares and less than 20% of the issued and outstanding Common Shares and the Board of Directors is comprised of eight (8) members, Obsidian shall be entitled to: (i) one (1) representative to be appointed to the Board of Directors to the extent that there are not at such time already one (1) representative of Obsidian on the Board of Directors; and (ii) one (1) representative nominated for election to the Board of Directors and included in a management slate of directors proposed by the Corporation at any meeting of the Shareholders thereafter at which directors are elected. Obsidian has agreed that, subject to certain exceptions, in respect of the election of directors, the appointment of the auditors and the approval of InPlay's incentive plans at InPlay's annual general meeting of Shareholders to be held in 2025 and the approval of the auditors at InPlay's annual general meeting of Shareholders to be held in 2026, Obsidian shall vote (or cause to be voted, or at Obsidian's discretion, abstain or caused to be abstained from voting) all Common Shares held by it in accordance with the recommendations of the Board or management of the Corporation.

Additionally, the Investor Rights Agreement provides that, subject to customary exceptions, Obsidian shall not sell, transfer or pledge, hedge or otherwise dispose of any Common Shares following the Acquisition Closing Date until the six month anniversary of the Acquisition Closing Date (the "**Hold Period**") in each case without the prior consent of InPlay, which consent may be withheld or given subject to conditions. The Hold Period shall not apply to: (i) a transfer pursuant to a change of control transaction of InPlay; (ii) transfers to an affiliate of Obsidian that has signed a joinder to the Investor Rights Agreement; (iii) distributions under the Registration Rights Agreement; (iv) Share Exchange Transactions (as defined in the Investor Rights Agreement); and (v) following the date which is four months following the Acquisition Closing Date, Share Disposition Transactions (as defined in the Investor Rights Agreement).

## **INFORMATION REGARDING THE ACQUIRED ASSETS**

### **Reserve Information Concerning the Acquired Assets**

The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures and well abandonment costs for wells assigned reserves by GLJ. Additionally, the Asset Reserves Report encompasses future abandonment and reclamation costs relating only to reserve wells and active pipelines and facilities. Estimated future abandonment and reclamation costs related to inactive wells, pipelines and facilities were not included in the Asset Reserves Report.

The reserves data for the Acquired Assets set forth below is derived from the Asset Reserves Report. The Asset Reserves Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101.

The tables below provide a summary of the crude oil, NGLs and natural gas reserves attributable to the Acquired Assets and the net present value of future net revenue attributable to such reserves as evaluated in the Asset Reserves Report, based on forecast price and cost assumptions. The tables summarize the data contained in the Asset Reserves Report and, as a result, may contain slightly different numbers than such report due to rounding. Due to rounding, certain columns may not add exactly.

**It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by GLJ represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein. See "*Risk Factors*" herein and in the AIF and "*Recent Developments – The Acquisition – Overview*".**

All of the reserves associated with the Acquired Assets are located in West Central Alberta.

### ***Summary of Reserves (Forecast Prices and Costs)***

The following table sets out the reserves associated with the Acquired Assets as at December 31, 2023 on a forecast pricing and cost, gross and net basis:



Reserves Category	Light & Medium Crude Oil		Conventional Natural Gas				Natural Gas Liquids		Total Equivalent	
			Solution Gas <sup>(1)</sup>		Associated Gas and Non-Associated Gas					
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf )	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mboe)	Net (Mboe)
Proved										
Developed Producing	18,020.7	15,886.4	42,288.6	39,121.9	23,231.6	22,098.1	2,770.0	2,290.0	31,710.8	28,379.7
Developed Non-Producing	545.9	472.3	1,800.6	1,689.8	1,083.5	1,028.1	108.4	90.4	1,135.0	1,015.7
Undeveloped	11,609.5	9,825.7	29,135.3	26,639.6			1,193.0	993.8	17,658.4	15,259.4
Total Proved	30,176.1	26,184.4	73,224.5	67,451.3	24,315.1	23,126.2	4,071.4	3,374.2	50,504.2	44,654.8
Total Probable	13,054.3	10,689.4	37,753.8	34,042.5	5,918.9	5,558.0	1,763.3	1,424.8	22,096.4	18,714.3
Total Proved plus Probable	43,230.4	36,873.8	110,978.3	101,493.8	30,234.0	28,684.2	5,834.8	4,799.0	72,600.6	63,369.1

Note:

- (1) Conventional Natural Gas (Solution Gas) includes gas produced in association with Light, Medium and Heavy Crude Oil.

### *Net Present Values of Future Net Revenue*

The following tables set out the net present value of future net revenue of the reserves associated with the Acquired Assets at December 31, 2023, using various discount rates on a forecast pricing and cost and before-tax and after-tax basis:

Reserves Category (\$millions) <sup>(1)</sup>	Net Present Value of Future Net Revenue Before Income Taxes					Unit Value Before Income Tax Discounted at 10%/year <sup>(2)</sup>
	0%	5%	10%	15%	20%	
<b>Proved</b>						
Developed Producing	731.5	689.6	550.1	452.0	384.7	19.38
Developed Non-Producing	28.5	21.3	16.6	13.3	10.9	16.34
Undeveloped	425.8	229.6	126.5	67.3	30.9	8.29
<b>Total Proved</b>	1,185.9	940.6	693.1	532.6	426.4	15.52
Probable	722.3	344.9	201.6	131.7	92.1	10.77
<b>Total Proved plus Probable</b>	1,908.2	1,285.5	894.7	664.4	518.6	14.12

Notes:

- (1) Net present value of future net revenue includes all resource income, including the sale of oil, gas, by-product reserves, processing third party reserves and other income.
- (2) Unit values are based on net reserve volumes.

### *Total Future Net Revenue (Undiscounted)*

The following table provides a breakdown of the various components of total future net revenue on an undiscounted basis for the Proved Reserves and Proved plus Probable Reserves calculated as at December 31, 2023 associated with the Acquired Assets:

Reserves Category (\$ thousands)	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Future Net Revenue After Income Taxes
<b>Total Proved</b>	3,919.9	502.7	1,432.9	415.1	383.3	1,185.9	1,185.9
<b>Total Proved plus Probable</b>	5,849.7	825.4	2,103.9	615.3	396.9	1,908.2	1,822.1

### *Net Present Value of Future Net Revenue by Reserves Category and Product Type*

The following table provides the net present value of future net revenue before income taxes by reserves category and product type as of December 31, 2023 associated with the Acquired Assets, using forecast prices and costs and discounted at 10% per year:

Reserves Category	Product Type	Future Net Revenue Before Income Taxes (Discounted at 10% per year) (\$M)	Unit Value Before Income Taxes (Discounted at 10% per year) <sup>(1)</sup> (\$/Boe)
<b>Total Proved</b>	Light and Medium Crude Oil (including solution gas and associated byproducts)	659.7	16.58
	Heavy Crude Oil (including solution gas and associated byproducts)	-	-
	Conventional Natural Gas (Non Assoc. & Assoc.) (including associated byproducts)	33.5	6.89
	<b>Total</b>	693.1	15.52
<b>Proved plus Probable</b>	Light and Medium Crude Oil (including solution gas and associated byproducts)	855.7	14.93
	Heavy Crude Oil (including solution gas and associated byproducts)	-	-
	Conventional Natural Gas (Non Assoc. & Assoc.) (including associated byproducts)	39.0	6.46
	<b>Total</b>	894.7	14.12

Notes:

(1) Unit values are based on net reserve volumes.

### *Pricing Assumptions*

The forecast reference prices as at December 31, 2023, used in preparing reserves data for the Acquired Assets in the Asset Reserves Report are provided in the table below, as are the economic parameters prepared by and assumed by GLJ in preparing forecast prices and costs. All benchmark reference prices, and inflation and exchange rates, used by GLJ in the Asset Reserves Report were derived from an average consultant industry price forecast effective as at January 1, 2024.

#### Crude Oil and Natural Gas Liquids Price Forecast Effective January 1, 2024

United States		Europe		Canada									
WTI Crude Oil Cushing,		Brent Crude FOB		MSW Crude (40 API, at	Bow Crude Oil (21.4 at	WCS Crude Oil (20.9 at	Heavy Crude Proxy at	Light Crude (35 API, at	Medium Crude (29 API, at	Alberta Natural Gas Liquids (Then Current Dollars)			
CAD Excha	Const	Then	Then	Then	Then	Then	Then	Then	Then	Spec	Edm	Edm	Edmont C5+

Year	Inflati %	Rate USD/	2025\$ USD/	Curre USD/	Current USD/bbl	Current CAD/bbl	Current CAD/bbl	Current CAD/bbl	Current CAD/bb	Current CAD/bbl	Current CAD/bbl	Etha CA	Prop CAD	Buta CAD	Stream CAD/b
2024	0.00	0.749	73.25	73.25	77.50	92.66	77.55	76.48	69.56	92.61	89.08	6.81	30.27	46.11	95.57
2025	2.00	0.756	72.63	74.09	78.00	93.47	79.23	78.05	71.00	93.42	89.84	10.40	35.22	47.71	96.25
2026	2.00	0.766	71.89	74.79	78.73	93.19	79.13	78.08	70.65	93.13	89.54	12.60	35.02	47.59	96.67
2027	2.00	0.766	71.89	76.28	80.18	95.04	80.82	79.73	72.20	95.01	91.32	12.87	35.73	48.55	98.59
2028	2.00	0.766	71.89	77.81	81.77	96.95	82.81	81.70	74.13	96.90	93.16	13.12	36.45	49.51	100.57
2029	2.00	0.766	71.89	79.38	83.42	98.88	84.45	83.34	75.62	98.84	95.01	13.40	37.18	50.51	102.58
2030	2.00	0.766	71.89	80.96	85.08	100.86	86.14	85.01	77.14	100.82	96.92	13.66	37.91	51.52	104.63
2031	2.00	0.766	71.88	82.57	86.78	102.89	87.86	86.71	78.69	102.83	98.86	13.94	38.68	52.55	106.73
2032	2.00	0.766	71.88	84.22	88.52	104.94	89.61	88.43	80.26	104.89	100.83	14.23	39.45	53.60	108.86
2033	2.00	0.766	71.88	85.91	90.28	107.04	91.41	90.20	81.87	106.99	102.85	14.52	40.24	54.67	111.03
2034	2.00	0.766	71.89	87.63	92.09	109.18	93.24	92.01	83.51	109.12	104.91	14.81	41.04	55.76	113.25
2035	2.00	0.766	71.89	89.38	93.94	111.35	95.10	93.85	85.19	111.31	107.00	15.10	41.86	56.88	115.51
2036	2.00	0.766	71.89	91.17	95.81	113.59	97.00	95.73	86.88	113.54	109.14	15.40	42.70	58.01	117.82
2037	2.00	0.766	71.89	92.99	97.73	115.86	98.95	97.64	88.63	115.80	111.33	15.72	43.56	59.18	120.18
2038	2.00	0.766	71.88	94.85	99.69	118.17	100.92	99.59	90.40	118.13	113.55	16.03	44.43	60.36	122.58
2039	2.00	0.766	71.88	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Historical futures contract price is an average of the daily settlement the near

**Natural Gas and Sulphur  
Price Forecast  
Effective January 1, 2024**

Year	NYMEX Henry Hub Near Month Contract		Midwest Price at	Dawn Price at Ontario		Alberta Plant Gate			Saskatchewan Plant			British Columbia			Sulphur @ Alberta Plant
	Constant 2024 \$ USD/MMB	Then Current USD/MMB	Then Current USD/MMBtu	Then Current CAD/MMB	Then Current USD/MMB	Spot Constant 2025 \$ CAD/MMB	Spot Then Current CAD/M	ARP CAD/M	SaskEn CAD/M	Spot CAD/M	Hunting Sumas USD/M	Westco Station CAD/M	Spot Plant CAD/M	Sulphur Vancou USD/lt	Sulphur @ Alberta Plant/lt
2024	2.75	2.75	2.58	2.24	2.65	1.96	1.96	1.96	2.51	2.02	2.78	2.06	1.73	107.15	45.26
2025	3.55	3.62	3.45	3.35	3.52	3.01	3.07	3.07	3.63	3.13	3.65	3.19	2.85	120.80	65.69
2026	3.90	4.05	3.89	4.01	3.95	3.58	3.73	3.73	4.28	3.79	4.09	3.84	3.50	123.21	67.14
2027	3.90	4.14	3.97	4.10	4.03	3.58	3.80	3.80	4.37	3.88	4.18	3.92	3.57	125.68	68.98
2028	3.90	4.23	4.05	4.17	4.11	3.59	3.88	3.88	4.46	3.95	4.26	4.00	3.66	128.19	70.86
2029	3.89	4.30	4.12	4.26	4.20	3.59	3.96	3.96	4.55	4.04	4.34	4.08	3.73	130.75	72.78
2030	3.90	4.39	4.21	4.33	4.27	3.59	4.04	4.04	4.62	4.11	4.43	4.16	3.81	133.37	74.74
2031	3.90	4.48	4.30	4.43	4.37	3.59	4.13	4.13	4.72	4.21	4.53	4.24	3.89	136.04	76.74
2032	3.90	4.57	4.39	4.52	4.45	3.60	4.21	4.21	4.81	4.30	4.62	4.33	3.98	138.76	78.77
2033	3.90	4.66	4.49	4.61	4.55	3.60	4.30	4.30	4.91	4.39	4.72	4.41	4.05	141.53	80.34
2034	3.90	4.76	4.57	4.69	4.63	3.60	4.38	4.38	5.01	4.47	4.81	4.50	4.14	144.36	81.95
2035	3.89	4.84	4.65	4.79	4.72	3.60	4.47	4.47	5.11	4.57	4.90	4.59	4.23	147.25	83.58
2036	3.89	4.94	4.75	4.89	4.82	3.60	4.57	4.57	5.21	4.66	5.00	4.69	4.32	150.19	85.25
2037	3.89	5.04	4.85	4.99	4.92	3.60	4.66	4.66	5.31	4.76	5.10	4.77	4.39	153.20	86.97
2038	3.90	5.15	4.95	5.09	5.01	3.59	4.74	4.74	5.42	4.86	5.21	4.87	4.49	156.26	88.69
2039+	3.90	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	3.59	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Notes:

- (1) Inflation rates are used for forecasting prices and costs.
- (2) Exchange rates used to generate the benchmark reference prices in the table.

***Additional Information Relating to Reserves Data***

*Undeveloped Reserves*

Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty to be recoverable where significant expenditure is required to render them capable of production. Probable undeveloped reserves are those additional reserves that are less certain to be recovered than proved reserves where significant expenditure is required to render them capable of production. The Asset Reserves Report contains proved and probable undeveloped reserves that have been estimated in accordance with the procedures and standards contained in the COGE Handbook.

There are a number of factors that could result in delayed or cancelled development, including the following: (i) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (ii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iii) multi-zone

developments (for instance, a prospective formation completion may be delayed until the initial completion is no longer economic); (iv) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (v) surface access issues (including those relating to land owners, weather conditions and regulatory approvals). For more information, see "Risk Factors" in the AIF.

#### *Proved Undeveloped Reserves*

The majority of the proved undeveloped reserves evaluated in the Asset Reserves Report are attributable to the Lodgepole, Violet Grove, Paddy Creek, and Cynthia properties. Proved undeveloped reserves have been assigned in areas where the reserves can be estimated with a high degree of certainty. In most instances, proved undeveloped reserves will be assigned on lands immediately offsetting existing producing wells within the same accumulation or pool. GLJ has assigned 15,259.4 MBoe of net proved undeveloped reserves in the Asset Reserves Report with \$404.1 million of associated undiscounted capital.

#### *Probable Undeveloped Reserves*

Probable undeveloped reserves have been assigned in areas where the reserves can be estimated with less certainty. It is equally likely that the actual remaining quantities recovered will be greater or less than the proved plus probable reserves. In most instances probable undeveloped reserves have been assigned on lands in the area with existing producing wells but there is some uncertainty as to whether they are directly analogous to the producing accumulation or pool. GLJ has assigned 10,923.8 MBoe of net probable undeveloped reserves in the Asset Reserves Report with \$200.2 million of associated undiscounted capital.

#### *Future Development Costs*

The following table sets out the development costs deducted from the estimation of future net revenue attributable to the Acquired Assets' Proved Reserves and Proved plus Probable Reserves as at December 31, 2023:

Year	Estimated using Forecast Prices and Costs <sup>(1)(2)</sup>	
	Proved Reserves (\$MM)	Proved plus Probable Reserves (\$MM)
2024	87.8	90.8
2025	146.5	147.4
2026	56.7	159.1
2027	83.9	157.6
2028	40.2	60.4
Total for First 5 Years	415.1	615.3
Thereafter	0	0
Total Undiscounted	415.1	615.3

InPlay expects to fund the development costs of the reserves associated with the Acquired Assets through internally generated cash flows and/or debt. There can be no guarantee that funds will be available or that InPlay will allocate funding to develop all of the reserves attributed in the Asset Reserves Report. Failure to develop those reserves could have a negative impact on InPlay's future cash flows.

The interest or other costs of external funding are not included in the reserves and future net revenue estimates set forth above and would reduce reserves and future net revenue to some degree depending upon the funding sources utilized. InPlay does not anticipate that interest or other funding costs would make development of any of the Acquired Assets uneconomic.

#### **Other Oil and Natural Gas Information**

##### *Principal Properties*

The Acquired Assets are located in the Pembina Cardium area near Drayton Valley in West Central Alberta. The

Acquired Assets include an average working interest of approximately 68% in a large, primarily contiguous land base of 468,758 gross (317,751 net) acres of petroleum and natural gas rights.

### ***Oil and Natural Gas Wells***

The following table sets forth the number and status of wells as of December 31, 2023 in which the Corporation will acquire a working interest pursuant to the Acquisition, all of which are located in Alberta.

	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	843	676.0	1,023	898.7	83	64.9	134	112.3
Total	843	676.0	1,023	898.7	83	64.9	134	112.3

### ***Land Holdings Including Properties with No Attributed Reserves***

The following table sets out for the Acquired Assets, the producing and non-producing land holdings as at December 31, 2023.

	Producing Acres		Non-Producing Acre	
	Gross	Net	Gross	Net
Alberta	353,758	261,663	115,000	56,088
Total	353,758	261,663	115,000	56,088

### ***Significant Factors or Uncertainties Relevant to Properties with no Attributed Reserves***

InPlay does not anticipate any significant economic factors or significant uncertainties will affect any particular components of the Acquired Assets with no attributed reserves. However, InPlay's decision to develop the Acquired Assets with no attributed reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs and royalty regimes, all of which are beyond InPlay's control. There are no unusually significant abandonment and reclamation costs with the Acquired Assets with no attributed reserves.

### ***Forward Contracts***

InPlay will not be assuming any hedging commitments in connection with the Acquisition. InPlay will be required to provide additional hedge positions as a result of the Acquisition. See "*Recent Developments – New Credit Facilities*".

InPlay is exposed to market risks resulting from fluctuations in commodity prices, foreign exchange rates and interest rates in the normal course of operations. A variety of derivative instruments are used by InPlay to reduce its exposure to fluctuations in commodity prices and foreign exchange rates. InPlay is exposed to losses in the event of default by the counterparties to these derivative instruments. InPlay manages this risk by diversifying its derivative portfolio amongst a number of financially sound counterparties.

InPlay may use certain financial instruments to hedge exposure to commodity price fluctuations on a portion of InPlay crude oil and natural gas production with respect to the Acquired Assets. See "*Risk Factors – Hedging*" in the AIF.

### ***Additional Information Concerning Abandonment and Reclamation Costs***

The Asset Reserves Report included abandonment costs for wells included in the evaluation. In the Asset Reserves Report, \$397 million (undiscounted) for the forecast prices and costs case for abandonment costs of wells with proved and probable reserves were deducted as abandonment costs in estimating the future net revenue.

### ***Production Estimates***

The following table sets out the first-year production forecast of volumes of working interest production for each product type estimated by GLJ for the period from January 1, 2024 to December 31, 2024 in the Assets Reserve Report which is reflected in the estimate of future net cash flows disclosed in the tables above. Actual results may differ significantly from the information below. See "*Special Note Regarding Forward-Looking Statements*" and "*Risk Factors*" herein.

	Light & Medium Oil (bbl/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)	Oil Equivalent (Boe/d)
<b>Proved</b>				
Developed Producing	5,072.7	18,669.6	801.6	8,985.9
Developed Non-Producing	357.7	860.0	32.1	533.1
Undeveloped	737.9	1,189.1	41.3	977.4
<b>Total proved</b>	<b>6,168.3</b>	<b>20,718.7</b>	<b>875.1</b>	<b>10,496.5</b>
<b>Probable</b>				
Developed Producing	154.9	593.9	24.5	278.4
Developed Non-Producing	64.1	43.0	1.4	72.7
Undeveloped	151.0	189.5	7.9	190.5
<b>Total Probable</b>	<b>370.0</b>	<b>826.4</b>	<b>33.8</b>	<b>541.5</b>
<b>Proved plus Probable</b>				
Developed Producing	5,227.6	19,263.5	826.1	9,264.3
Developed Non-Producing	421.8	903.0	33.5	605.8
Undeveloped	888.9	1,378.6	49.2	1,167.9
<b>Total proved plus probable</b>	<b>6,538.3</b>	<b>21,545.1</b>	<b>908.8</b>	<b>11,038.0</b>

### ***Production History***

The following table sets forth, by product type, the average gross working interest daily production volumes, product prices received, royalties paid, operating expenses, transportation costs and resulting netbacks with respect to the Acquired Assets, for the periods indicated below.

	Quarter Ended				Year Ended
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	Dec. 31, 2023
Average Daily Production <sup>(1)</sup>					
Light Crude Oil and Medium Crude Oil (bbl/d)	6,062	5,518	5,651	5,385	5,652
Conventional Natural Gas (Mcf/d)	21,933	19,609	21,966	21,273	21,195
NGLs (bbl/d)	910	826	916	890	886
Combined (Boe/d),	10,627	9,613	10,228	9,820	10,070
Average Price Received <sup>(2)(3)</sup>					
Light Crude Oil and Medium Crude Oil (\$/bbl)	99.81	93.51	107.89	98.70	100.05
Conventional Natural Gas (\$/Mcf)	4.22	2.68	2.75	2.76	3.11
NGLs (\$/bbl)	58.84	50.58	49.98	56.85	54.10
Combined (\$/Boe)	70.68	63.51	70.00	65.25	67.46
Transportation Expenses					
Light Crude Oil and Medium Crude Oil (\$/bbl)	2.74	2.89	3.20	3.03	2.96
Conventional Natural Gas (\$/Mcf)	0.19	0.20	0.20	0.18	0.19

	Quarter Ended				Year Ended Dec. 31, 2023
	Mar. 31	Jun. 30	Sep. 30	Dec. 31	
NGLs (\$/bbl)	7.00	6.33	8.49	6.91	7.21
Combined (\$/Boe)	2.56	2.60	2.96	2.68	2.70
Royalties Paid					
Light Crude Oil and Medium Crude Oil (\$/bbl)	16.88	15.93	17.35	19.27	17.34
Conventional Natural Gas (\$/Mcf) <sup>(4)</sup>	0.39	0.09	0.12	0.11	0.18
NGLs (\$/bbl)	15.11	6.08	6.89	8.80	9.27
Combined (\$/Boe)	11.73	9.85	10.47	11.61	10.93
Operating Expenses					
Light Crude Oil and Medium Crude Oil (\$/bbl)	30.48	32.70	32.01	33.20	32.06
Conventional Natural Gas (\$/Mcf)	1.31	1.42	1.40	1.14	1.32
NGLs (\$/bbl)	0.00	0.00	0.00	0.00	0.00
Combined (\$/Boe)	20.10	21.68	20.68	20.67	20.77
Operating Netback					
Light Crude Oil and Medium Crude Oil (\$/bbl)	49.71	41.99	55.33	43.20	47.69
Conventional Natural Gas (\$/Mcf)	2.33	0.97	1.03	1.33	1.42
NGLs (\$/bbl)	36.73	38.17	34.60	41.14	37.62
Combined (\$/Boe)	36.29	29.38	35.89	30.29	33.06

## Notes:

- (1) Before deduction of royalties and including royalty interests.
- (2) Average price received does not include the impact of the Corporation's realized gains and losses on derivative financial instruments.
- (3) Conventional Natural Gas royalties paid include Crown capital cost, operating cost and custom processing fee credits.
- (4) Operating expenses are comprised of direct costs incurred to operate both oil and gas wells and facilities.

**CONSOLIDATED CAPITALIZATION**

The following table sets forth the consolidated capitalization of the Corporation as at September 30, 2024: (i) before giving effect to the Offering, the Acquisition and the establishment of the New Credit Facilities; (ii) after giving effect to the Offering, the Acquisition and the establishment of the New Credit Facilities, assuming the Over-Allotment Option is not exercised; and (iii) after giving effect to the Offering, the Acquisition and the establishment of the New Credit Facilities, assuming the full exercise of the Over-Allotment Option. The table should be read in conjunction with the Interim Financial Statements.

There have been no material changes in the Corporation's share and loan capital since September 30, 2024.

	As at September 30, 2024 before giving effect to the Offering and the Acquisition	As at September 30, 2024 after giving effect to the Offering and the Acquisition <sup>(1)</sup>	As at September 30, 2024 after giving effect to the Offering, the Acquisition and the Over-Allotment Option <sup>(1)</sup>
<b>Indebtedness</b>			
Credit Facility / New Credit Facilities <sup>(6)(7)(8)(11)</sup>	\$55,736,632	\$249,761,038 <sup>(2)(9)</sup>	\$245,699,700 <sup>(3)</sup>
<b>Shareholders' Equity<sup>(9)(10)</sup></b>			
Common Shares (unlimited) (90,119,356 Common Shares)	\$266,257,690	\$378,333,283 <sup>(4)</sup> (163,345,565 <sup>(4)</sup> Common Shares)	\$382,394,622 <sup>(5)</sup> (166,103,690 <sup>(5)</sup> Common Shares)
Preferred Shares (unlimited)	Nil	Nil	Nil

	As at September 30, 2024 before giving effect to the Offering and the Acquisition	As at September 30, 2024 after giving effect to the Offering and the Acquisition <sup>(1)</sup>	As at September 30, 2024 after giving effect to the Offering, the Acquisition and the Over-Allotment Option <sup>(1)</sup>
<b>Total Capitalization</b>	\$321,994,322	\$628,094,322	\$628,094,322

## Notes:

- (1) See "*Recent Developments – The Acquisition*" for further information on the Acquisition.
- (2) Based on (A) net proceeds from the Offering (before deducting expenses of the Offering and excluding any Dividend Equivalent Payments, if any, and interest and other income that may be earned on the Escrowed Funds) to the Corporation of \$27,075,594 (see "*Use of Proceeds*"), (B) the cash portion of the Purchase Price of \$220,500,000; and (C) the estimated expenses of the Offering of \$600,000 (exclusive of GST).
- (3) Based on (A) net proceeds from the Offering (before deducting expenses of the Offering and excluding any Dividend Equivalent Payments, if any, and interest and other income that may be earned on the Escrowed Funds) to the Corporation of \$31,136,933 (see "*Use of Proceeds*"), (B) the cash portion of the Purchase Price of \$220,500,000; and (C) the estimated expenses of the Offering of \$600,000 (exclusive of GST).
- (4) Based on the issuance of: (i) 54,838,709 Common Shares to the Vendor as the Share Consideration, at a deemed issuance price of \$1.55 per Common Share; and (ii) 18,387,500 underlying Common Shares pursuant to 18,387,500 Subscription Receipts issued in connection with the Offering for aggregate gross proceeds of \$28,500,625, less the Underwriters' Fee of \$1,425,031.
- (5) Based on the issuance of: (i) 54,838,709 Common Shares to the Vendor as the Share Consideration, at a deemed issuance price of \$1.55 per Common Share; and (ii) 21,145,625 underlying Common Shares pursuant to 21,145,625 Subscription Receipts issued in connection with the Offering, including the Over-Allotment Option, for aggregate gross proceeds of \$32,775,719, less the Underwriters' Fee of \$1,638,786.
- (6) As at September 30, 2024, InPlay had a \$110,000,000 credit facility with a syndicate of lenders comprised of a \$95,000,000 revolving line of credit and a \$15,000,000 operating line of credit. The Existing Credit Facility is described in Note 9 to the Interim Financial Statements and under the heading "*Liquidity and Capital Resources*" in the Interim MD&A, which are incorporated by reference in the Prospectus. There are standard reporting covenants under the Existing Credit Facility; however, there are no financial covenants. As of the date of this Prospectus Supplement, the Corporation is in compliance with the terms of the Existing Credit Facility. As at December 31, 2023 and September 30, 2024, the Corporation was indebted under the Existing Credit Facility in the aggregate amount of \$47.2 million, and \$55.7 million, respectively. See "*Risk Factors – Credit Facility Risk*", "*Risk Factors – Additional Indebtedness*" and "*Relationship Between InPlay and Certain of the Underwriters*".
- (7) The Corporation has entered into the Commitment Letter with the Lenders to give effect to the New Credit Facilities. See "*Recent Developments – New Credit Facilities*".
- (8) The amount drawn on the New Credit Facilities after giving effect to the Offering and the Acquisition is based on and reflects the following: (A) \$15,000,000 drawn on the New Operating Facility; (B) \$114,761,038 million drawn on the New Syndicated Facility; (C) \$120,000,000 drawn on the Term Facility; (D) the cash portion of the Purchase Price of \$220,500,000; (E) InPlay's estimated transaction costs associated with the Acquisition; and (F) the netting of \$26,475,594 of net proceeds from the Offering (or \$30,536,933 if the Over-Allotment Option is exercised in full), in each case after deducting expenses of the Offering estimated at \$600,000 and excluding any Dividend Equivalent Payments, if any, on the Subscription Receipts, and interest and other income that may be earned on the Escrowed Funds. The net proceeds of the Offering in excess of \$20,000,000 will be used to reduce the Term Facility and increase the availability under the New Syndicated Facility by corresponding amounts. See "*Recent Developments – The Acquisition*".
- (9) As at September 30, 2024, Options to purchase an aggregate of 2,636,680 Common Shares were outstanding pursuant to the Option Plan. The average price at which outstanding Options are exercisable is \$1.91 per Common Share, and the outstanding Options have a weighted average remaining term to expiry of 2.14 years. Each Option entitles the holder upon exercise to acquire one Common Share. See "*Prior Sales*".
- (10) Assumes no deposit is required by the AER in respect of the transfer of the Acquired Assets to InPlay.

## PRINCIPAL SHAREHOLDERS

Other than as stated below, to the best of the knowledge of InPlay's directors and officers, as at February 20, 2025, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of InPlay.

The table below sets forth, for each of CIP and the Vendor: (i) the type of ownership; (ii) the number and percentage of outstanding Common Shares as of the date of this Prospectus Supplement; (iii) the number and percentage of



Common Shares anticipated to be owned, controlled or directed prior to giving effect to the Offering; (iv) the number and percentage of Common Shares anticipated owned, controlled or directed after giving effect to the Offering and completion of the Acquisition; and (v) the number and percentage of Common Shares owned, controlled or directed after giving effect to the Offering, completion of the Acquisition and exercise in full of the Over-Allotment Option.

Name of Shareholder	Type of Ownership	Number and percentage of outstanding Common Shares owned, controlled or directed as of the date of this Prospectus Supplement	Number and percentage of Common Shares owned, controlled or directed prior to giving effect to the Offering <sup>(1)</sup>	Number and percentage of Common Shares owned, controlled or directed after giving effect to the Offering and completion of the Acquisition <sup>(4)</sup>	Number and percentage of Common Shares owned, controlled or directed after giving effect to the Offering, completion of the Acquisition and exercise in full of the Over-Allotment Option <sup>(4)</sup>
<b>Carbon Infrastructure Partners Corp.</b> <sup>(3)</sup> Calgary, Alberta	Common Shares	20,982,489 (23.3%)	20,982,489 (23.3%)	20,982,489 (12.8%)	20,982,489 (12.6%)
<b>Obsidian Energy Ltd.</b> Calgary, Alberta	Common Shares	-	-	54,838,709 (33.6%)	54,838,709 (33.0%)

Notes:

- (1) Includes Common Shares owned both of record and beneficially.
- (2) CIP is the advisor to the general partners of each of JOG Limited Partnership No. VI and JOG VI B Limited Partnership, which funds are the registered holders of the Common Shares.
- (3) Mr. Golinowski, a director of the Corporation, is also the President and a director of CIP.
- (4) Assumes 54,838,709 Common Shares are issued to the Vendor as Share Consideration.

## USE OF PROCEEDS

The following table sets forth the principal purposes for which InPlay proposes to use the total funds available to the Corporation upon the completion of the Offering:

	Amount	Total
Cash portion of the Purchase Price <sup>(1)</sup>	\$220,500,000	\$220,500,000
Aggregate proceeds raised pursuant to the Offering <sup>(2)</sup>	\$28,500,625	
Underwriters' Fee <sup>(2)(3)</sup>	(\$1,425,031)	
Expenses and costs relating to the Offering	(\$600,000)	
<b>Total estimated net proceeds from the Offering</b>		\$26,475,594
Portion of the Purchase Price to be funded by the New Credit Facilities		\$194,024,406

Notes:

- (1) Does not include expenses or transaction costs related to the Acquisition, the deemed value of the Share Consideration of \$1.55 per Common Share, nor does it include the value of the WGC Unit Interest, which will be transferred to the Vendor at on the Acquisition Closing Date or any adjustments to the Purchase Price.
- (2) Does not include interest of 6.50%, calculated daily and not compounded, on the \$305.5 million in cash and Common Shares forming part of the Purchase Price from December 1, 2024 to, and including, the Acquisition Closing Date.
- (3) Assumes the Over-Allotment Option is not exercised. The aggregate gross proceeds from the Offering will be deposited in escrow pursuant to the terms of the Subscription Receipt Agreement. Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds will be released from escrow, whereupon the Underwriters' Fee (including any interest earned or income generated thereon, if any) will be paid to the Underwriters and the balance will be paid to the

Corporation. If the Escrow Release Conditions are not satisfied and the Notice is not delivered to the Escrow Agent prior to the Deadline, then the fees payable to the Underwriters' will be limited to the 50% of the Underwriters' Fee. The value in the table above does not include interest earned or income generated on the Escrowed Funds nor any deduction for Dividend Equivalent Payments, if any, on the Subscription Receipts. See "*Plan of Distribution*" and "*Details of the Offering*".

- (4) Concurrently with the closing of the Acquisition, InPlay expects to enter into the New Credit Facilities. See "*Recent Developments – New Credit Facilities*".

The foregoing is based on the issuance of 18,387,500 Subscription Receipts pursuant to the Offering for aggregate gross proceeds of \$28,500,625, less the Underwriters' Fee of \$1,425,031 and the estimated expenses of the Offering of \$600,000 (exclusive of GST), resulting in net proceeds to the Corporation from the sale of the Subscription Receipts issuable hereunder of \$26,475,594 (excluding any Dividend Equivalent Payments, if any, on the Subscription Receipts and interest and other income that may be earned on the Escrowed Funds). If the Over-Allotment Option is exercised in full, based on the issuance of 21,145,625 Subscription Receipts pursuant to the Offering for aggregate gross proceeds of \$32,775,719, less the Underwriters' Fee of \$1,638,786 and the estimated expenses of the Offering of \$600,000 (exclusive of GST), the net proceeds to the Corporation from the sale of the Subscription Receipts issuable hereunder, including pursuant to the Over-Allotment Option, will be \$30,536,933 (excluding any Dividend Equivalent Payments, if any, on the Subscription Receipts and interest and other income that may be earned on the Escrowed Funds). The net proceeds of the Offering will be used to fund a portion of the Purchase Price. The expenses of the Offering will be paid from the general funds of the Corporation. The Corporation expects to fund the remaining portion of the Purchase Price with borrowings under the New Credit Facilities. To the extent that the Over-Allotment Option is exercised, the portion of the Purchase Price to be funded by the New Credit Facilities will be decreased by the amount of the net proceeds to the Corporation from the exercise of the Over-Allotment Option. See "*Plan of Distribution*".

The gross proceeds from the Offering will be held by the Escrow Agent, and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments in accordance with the terms of the Subscription Receipt Agreement) pending the satisfaction of the Escrow Release Conditions, provided that Dividend Equivalent Payments may be made from the Escrowed Funds. Upon satisfaction of the Escrow Release Conditions at or before the Deadline, the Escrowed Funds and the interest and income earned thereon, if any (less the Underwriters' Fee, including the interest earned or income generated thereon, if any and any amounts required to satisfy any unpaid Dividend Equivalent Payments, if any, on the Subscription Receipts) will be released by the Escrow Agent to the Corporation upon receipt by the Escrow Agent, and acknowledged by the Lead Underwriters, of a Notice from the Corporation that the Escrow Release Conditions have been satisfied on or before the Deadline. InPlay will utilize the Escrowed Funds, together with funds drawn under the New Credit Facilities to complete the Acquisition pursuant to the Acquisition Agreement. See "*Recent Developments – The Acquisition*".

On release of the Escrowed Funds to the Corporation, holders of Subscription Receipts will receive one underlying Common Share for each Subscription Receipt held, without payment of additional consideration or further action on the part of such holder.

If the Corporation fails to satisfy the Escrow Release Conditions and deliver the Notice to the Escrow Agent, and acknowledged by the Lead Underwriters, on or before the Deadline, or if the Corporation advises the Lead Underwriters or the Corporation announces to the public that it does not intend to proceed with the Acquisition, or if the Acquisition Agreement has been terminated, such holders will be entitled to receive from the Escrow Agent a Termination Payment. The Termination Payment will be made from the balance of the Escrowed Funds at the Termination Time, provided that if the balance of the Escrowed Funds at the Termination Time is insufficient to cover the aggregate amount of the Termination Payments payable to the holders of Subscription Receipts, pursuant to the Subscription Receipt Agreement, InPlay will be required to pay to the Escrow Agent, as agent on behalf of the holders of Subscription Receipts, the deficiency between the amount of Escrowed Funds at the Termination Time and the aggregate of the Termination Payments due to the holders of Subscription Receipts. See "*Details of the Offering*". Any remaining Escrowed Funds after the payment of the Termination Payments shall be paid by the Escrow Agent to the Corporation.

While InPlay believes that it has the skills and resources necessary to accomplish its stated business objectives and strategic goals, participation in the acquisition of, exploration for and development of oil and natural gas reserves has

a number of inherent risks. See "*Risk Factors*" herein and in the AIF and "*Business Risks*" in each of the Interim MD&A and the Annual MD&A, which are incorporated by reference herein.

### PRIOR SALES

The following table summarizes the issuances by InPlay of Common Shares from treasury or securities convertible into Common Shares in the twelve-month period prior to the date hereof:

<b>Date of Issuance</b>	<b>Type of Transaction</b>	<b>Number of Securities</b>	<b>Price Per Security</b>
January 31, 2024	Grant of Options	10,900 Options	\$1.21
February 1, 2024	Grant of Options	1,800 Options	\$0.35
February 16, 2024	Grant of Options	27,000 Options	\$1.02
February 20, 2024	Grant of Options	22,500 Options	\$1.02
February 7, 2024	Grant of Restricted Share Awards ("RSUs")	29,000 RSUs	N/A

### PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The outstanding Common Shares trade on the TSX under the trading symbol "IPO". The following sets out the high and low trading prices and aggregate volume of trading for the periods noted below for the Common Shares:

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
	(\$)	(\$)	
<b>2024</b>			
February	2.38	2.03	1,748,958
March	2.43	2.28	1,574,721
April	2.57	2.37	2,079,850
May	2.41	2.25	1,976,377
June	2.32	2.12	1,590,582
July	2.3	2.14	1,083,580
August	2.29	2.1	1,108,431
September	2.18	1.92	1,588,140
October	2.17	1.87	2,315,852
November	1.93	1.67	2,105,240
December	1.82	1.52	1,865,378
<b>2025</b>			
January	1.87	1.65	1,743,226
February (1-20)	1.80	1.58	2,292,334

Notes:

(1) Source: TMX Historical Data.

On February 18, 2025, the last trading day prior to the public announcement of the Offering and the Acquisition, the closing price of the Common Shares on the TSX was \$1.79. On February 20, 2025, the last trading day on which the Common Shares traded prior to the filing of this Prospectus Supplement, the closing price of the Common Shares on the TSX was \$1.66.

### DIVIDENDS

The following monthly cash dividends on Common Shares were declared in respect of the periods indicated:

<b>Dividends per Common Share (\$)</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
January	0.015	0.015	0.015
February	0.015	0.015	0.015
March	-	0.015	0.015
April	-	0.015	0.015
May	-	0.015	0.015
June	-	0.015	0.015
July	-	0.015	0.015
August	-	0.015	0.015
September	-	0.015	0.015
October	-	0.015	0.015
November	-	0.015	0.015
December	-	0.015	0.015
<b>Total</b>	0.03	0.18	0.18

The dividends noted in the table above were designated by InPlay as "eligible dividends" for Canadian income tax purposes. Unless otherwise indicated, all dividends paid or to be paid by InPlay are designated as "eligible dividends".

Holders of Subscription Receipts will be entitled to Dividend Equivalent Payments in respect of, and paid concurrently with, any dividends on the Common Shares for which record dates occur during the period commencing on the Closing Date to, but excluding, the date of Release Time, less any applicable withholding taxes. Holders of Subscription Receipts will receive such payments upon the later of the date of the Release Time (or issuance of Common Shares in lieu thereof, as the case may be with respect to the Over-Allotment Option) and the date the applicable dividend is paid to Shareholders.

For clarity, holders of Subscription Receipts received pursuant to exercise of the Over-Allotment Option, will be eligible to receive a Dividend Equivalent Payment in an amount per Subscription Receipt received pursuant to exercise of the Over-Allotment Option equal to any cash dividends declared by the Corporation on each Common Share relating to any record date occurring on or after the Closing Date to, but excluding, the Release Time, less any applicable withholding taxes.

For clarity, if the Release Time occurs before the record date of a dividend declared on the Common Shares, holders of Subscription Receipts will not receive a Dividend Equivalent Payment but will be entitled to receive the applicable dividend on any Common Shares held by the holder on such record date.

The Dividend Equivalent Payments will be made at such time by the Escrow Agent first from the any interest or other income credited or received on the Escrowed Funds and then out of the Escrowed Funds, and will be paid net of any applicable withholding taxes. It is the intention of the Escrow Agent to withhold tax at the statutory rate of 25% (subject to reduction under an applicable treaty) for any Dividend Equivalent Payments paid by InPlay and out of any interest accrued or other income credited to the Escrowed Funds in respect of a Non-Resident Holder.

In the event the Release Time occurs on a record date or following a record date for a dividend declared on the Common Shares but prior to the payment date of such dividend being paid to Shareholders and Dividend Equivalent Payment being paid to the Escrow Agent to form part of the Escrowed Funds, the holders of Subscription Receipts of record as of such record date shall be entitled to be paid the full Dividend Equivalent Payment for that period on the payment date of such dividend.

Upon the occurrence of a Termination Event, holders of Subscription Receipts will be entitled to receive, in addition to the full subscription price of such holder's Subscription Receipts, such holder's pro rata share of any interest earned or income generated on the Escrowed Funds from, and including, the Closing Date to, but excluding, the Termination Time less any applicable withholding taxes. No Dividend Equivalent Payment will be made to holders of Subscription Receipts if a Termination Time occurs.

Holders of Subscription Receipts are not Shareholders of the Corporation and will not have any direct or indirect entitlement whatsoever relating to or arising from any dividends declared or paid on the Common Shares prior to the Release Time other than any Dividend Equivalent Payment if the Escrow Release Conditions are satisfied on or before the Deadline.

If the Acquisition closes prior to April 15, 2025, as anticipated, holders of Subscription Receipts of record on March 15, 2025 will receive a Dividend Equivalent Payment with respect to the dividend to be paid to holders of record of Common Shares on March 31, 2025, with payment to holders of Subscription Receipts occurring at the later of the date of the Release Time (or issuance of Common Shares in lieu thereof, as the case may be with respect to the Over-Allotment Option) and the date the applicable dividend is paid to Shareholders. For additional information respecting cash dividend payments, including the factors influencing the amount available for distribution, see "*Dividends*" in the AIF and "*Liquidity and Capital Resources*" in the Annual MD&A and Interim MD&A.

**Cash dividends are not guaranteed. InPlay's historical cash dividends may not be reflective of future cash dividends, which will be subject to review by the Board taking into account the Corporation's prevailing financial circumstances at the relevant time. Although InPlay intends to distribute dividends from its available cash to Shareholders, the actual amount distributed will depend on numerous factors and conditions existing from time to time, including fluctuations in commodity prices, the amount of taxes payable by the Corporation, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates and the satisfaction of solvency tests imposed by the ABCA for the declaration and payment of dividends and other factors beyond InPlay's control. See "*Risk Factors*".**

## DETAILS OF THE OFFERING

### Subscription Receipts

The following is a summary of the material attributes and characteristics of the Subscription Receipts. This summary does not purport to be complete and is subject to, and qualified in its entirety by, reference to the terms of the Subscription Receipt Agreement, which, following the Closing Date, may be viewed under InPlay's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Subscription Receipts will be issued on the Closing Date pursuant to the Subscription Receipt Agreement. The Corporation has applied to list the Subscription Receipts and the Common Shares underlying the Subscription Receipts (including the Subscription Receipts issuable pursuant to the Over-Allotment Option and the Common Shares underlying such Subscription Receipts issuable pursuant to the Over-Allotment Option) on the TSX. Listing is subject to the approval of the TSX in accordance with its applicable listing requirements. See "*Risk Factors – Market for Securities*".

The Escrowed Funds will be held by the Escrow Agent, and invested in short-term obligations of, issued or guaranteed by, the Government of Canada or a province of Canada or a Canadian chartered bank (and other approved investments) until the earlier of: (i) the satisfaction of the Escrow Release Conditions and delivery of the Notice to the Escrow Agent, and acknowledged by the Lead Underwriters, on or before the Deadline; and (ii) the Termination Time.

Holders of Subscription Receipts will be entitled to Dividend Equivalent Payments in respect of any dividends on the Common Shares for which record dates occur during the period commencing on the Closing Date to, but excluding, the Release Time. In the event that a Termination Event occurs after a dividend has been declared on the Common Shares but before the record date for such dividend, holders of Subscription Receipts will not receive any Dividend Equivalent Payments. In the event the Release Time occurs on a record date or following a record date for a dividend declared on the Common Shares but prior to the payment date of such dividend being paid to Shareholders and Dividend Equivalent Payment being paid to the Escrow Agent to form part of the Escrowed Funds, the holders of Subscription Receipts of record as of such record date shall be entitled to be paid the full Dividend Equivalent Payment for that period on the payment date of such dividend.

Upon the occurrence of a Termination Event, holders of Subscription Receipts will be entitled to receive, in addition to the full subscription price of such holder's Subscription Receipts, such holder's pro rata share of any interest earned

or income generated on the Escrowed Funds from, and including, the Closing Date to, but excluding, the Termination Time, less any applicable withholding taxes. No Dividend Equivalent Payment will be made to holders of Subscription Receipts if a Termination Time occurs. The Escrowed Funds will be applied toward payment of such amounts and we will be responsible for payment of any portion of such amount not covered by the Escrowed Funds and interest earned or other income generated thereon.

Upon satisfaction of the Escrow Release Conditions on or before the Deadline, InPlay will deliver a notice (the "**Notice**") to the Escrow Agent, and acknowledged by the Lead Underwriters, that the Escrow Release Conditions have been satisfied, upon which the Escrowed Funds and the interest earned or income generated thereon less the Underwriters' Fee and any Dividend Equivalent Payments, will be released, enabling InPlay to complete the Acquisition. Upon delivery of the Notice to the Escrow Agent, and acknowledged by the Lead Underwriters, each holder of Subscription Receipts will receive one Common Share for each Subscription Receipt held, as applicable, without payment of additional consideration or further action on the part of the holder thereof together with any Dividend Equivalent Payments, if any, in respect of the Subscription Receipts. Upon satisfaction of the Escrow Release Conditions and the issuance of the Common Shares, InPlay will issue a press release specifying that the Common Shares have been issued. See "*Canadian Federal Income Tax Considerations*".

Under the Subscription Receipt Agreement, original purchasers of Subscription Receipts pursuant to the Offering will have a contractual right of rescission against InPlay following the issuance of the underlying Common Shares to such purchaser pursuant to the terms of the Subscription Receipts to receive the amount paid for the Subscription Receipts, if this Prospectus Supplement, the Prospectus (including documents incorporated therein by reference) or any amendment thereto contains a misrepresentation (as defined in the *Securities Act* (Alberta)) or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of the Closing Date. See "*Statutory Rights of Withdrawal and Rescission*".

In an offering of convertible securities, such as the Subscription Receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus Supplement or the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible security is offered to the public under the Offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the convertible security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

In the event that, prior to the date the Common Shares become issuable pursuant to the Subscription Receipts, there is a subdivision, consolidation, reclassification or other change of the Common Shares or any reorganization, amalgamation, merger or sale of all or substantially all of InPlay's assets, the Subscription Receipts will thereafter evidence the right of the holder to receive the securities, property or cash deliverable in exchange for or on conversion of or in respect of the Common Shares to which the holder of a Subscription Receipt would have been entitled immediately after such event if it had been a holder of such Common Shares immediately prior to such event. Similarly, any distribution to all or substantially all of the holders of Common Shares of rights, options, warrants, evidences of indebtedness or assets (other than dividends in the ordinary course) will result in an adjustment in the number of Common Shares to be issued to holders of Subscription Receipts. Alternatively, such securities, evidences of indebtedness or assets may, at InPlay's option, be issued to the Escrow Agent and delivered to holders of Subscription Receipts at the Release Time or Termination Time, as applicable.

The Subscription Receipt Agreement will provide for modifications and alterations thereto and to the Subscription Receipts issued thereunder by way of an extraordinary resolution. The term "extraordinary resolution" will be defined in the Subscription Receipt Agreement to mean, in effect, a resolution passed by the affirmative votes of the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts represented and voted at a meeting of holders or an instrument or instruments in writing signed by the holders of not less than 66 2/3% of the number of outstanding Subscription Receipts.

### ***Non-Certificated Issue***

The Subscription Receipts will be registered and electronically deposited through the non-certificated inventory system of CDS and must be purchased or transferred through a Participant. Except as otherwise provided herein, on the Closing Date, the Subscription Receipts will be issued and registered to CDS or its nominee, CDS & Co. No purchaser of a Subscription Receipt will be entitled to a certificate or other instrument from InPlay or CDS evidencing such purchaser's ownership of such Subscription Receipts or Common Shares underlying the Subscription Receipts, and no purchaser will be shown on the records maintained by CDS, except through a book-entry account of a Participant. Notwithstanding the foregoing, securities issued to U.S. Institutional Accredited Investors will be issued in the form of definitive certificates or direct registration statements with applicable restrictive legends attached.

Beneficial interests in Subscription Receipts will be represented solely through a non-certificated position which will be evidenced by customer confirmations of purchase from the registered dealer from which the Subscription Receipts are purchased in accordance with the practices and procedures of that registered dealer. Practices of registered dealers may vary, but customer confirmations are generally issued promptly after the execution of a customer order. In addition, registration of interests in and transfers of the Subscription Receipts will be made only through the depository service of CDS.

Subscription Receipt Beneficial Owners should be aware that they (subject to the situations described herein): (i) may not have Subscription Receipts or Common Shares registered in their name; (ii) will not have physical certificates representing their interest in the Subscription Receipts or Common Shares; (iii) may not be able to sell the Subscription Receipts or Common Shares to institutions required by law to hold physical certificates for securities they own; and (iv) may be unable to pledge Subscription Receipts or Common Shares as security.

Definitive certificates evidencing Subscription Receipts or Common Shares issuable pursuant to the terms thereof will be issued to beneficial holders or their nominees, other than CDS or its nominee, if: (i) CDS resigns, is removed from its responsibility as depository, or ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Corporation is unable or does not wish to locate a qualified successor; (ii) the book-based securities transfer system administered by CDS in accordance with its operating rules and procedures in force from time to time is terminated; or (iii) the Corporation so instructs the Escrow Agent in writing.

Neither InPlay, the Escrow Agent nor the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Subscription Receipts or Common Shares issuable pursuant to the terms of the Subscription Receipts held by CDS or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Subscription Receipts or Common Shares underlying the Subscription Receipts; or (iii) any advice or representation made by or with respect to CDS and those contained in this Prospectus Supplement and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a Participant. The rules and regulations governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS and persons, other than Participants, having an interest in the Subscription Receipts or Common Shares underlying the Subscription Receipts must look solely to Participants for payments made by or on behalf of InPlay to CDS in respect of the Subscription Receipts or Common Shares underlying the Subscription Receipts.

### **PLAN OF DISTRIBUTION**

Pursuant to the Underwriting Agreement, the Corporation has agreed to issue and sell an aggregate of 18,387,500 Subscription Receipts. The Underwriters have severally (and not jointly nor jointly and severally) agreed to purchase such Subscription Receipts on the Closing Date. Electronic deposit of the Subscription Receipts is conditional upon payment on closing of \$1.55 per Subscription Receipt, as the case may be, by the Underwriters to the Escrow Agent.

The Underwriting Agreement provides that the Corporation will pay the Underwriters' Fee on the release of the Escrowed Funds. If a Termination Event occurs, the Underwriters' Fee will be limited to 50% of the Underwriters' Fee. The terms of the Offering, including the offering price of the Subscription Receipts offered under this Prospectus Supplement, were determined by negotiation between InPlay and the Lead Underwriters on their own behalf, and on behalf of the other Underwriters. Completion of the Offering is subject to a number of conditions and the approval of the TSX.

InPlay has granted the Underwriters the Over-Allotment Option to purchase up to an additional 2,758,125 Subscription Receipts at a price of \$1.55 per Subscription Receipt, exercisable at any time, from time to time, in whole or in part, until the earlier of: (i) 5:00 p.m. (Calgary time) on the date that is 30 days following the Closing Date; and (ii) the Termination Time, to cover over-allotments, if any, and for market stabilization purposes. In the event the Over-Allotment Option is exercised following the satisfaction of the Escrow Release Conditions and delivery of the Notice to the Escrow Agent, InPlay will issue the same number of Common Shares in lieu of Subscription Receipts. A purchaser who acquires Subscription Receipts or Common Shares, as applicable, forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total Offering, the Underwriters' Fee and the net proceeds to InPlay (before deducting expenses of the Offering and excluding any Dividend Equivalent Payments and interest and other income that may be earned on the Escrowed Funds) will be \$32,775,719, \$1,638,786 and \$31,136,933, respectively.

For clarity, holders of Subscription Receipts received pursuant to exercise of the Over-Allotment Option, will be eligible to receive a Dividend Equivalent Payment in an amount per Subscription Receipt received pursuant to exercise of the Over-Allotment Option equal to any cash dividends declared by the Corporation on each Common Share relating to any record date occurring on or after the Closing Date to, but excluding, the Release Time, less any applicable withholding taxes.

Pursuant to the Underwriting Agreement, InPlay has agreed to sell and the Lead Underwriters have agreed to purchase on February 27, 2025 the Subscription Receipts at a price of \$1.55 per Subscription Receipt, payable in cash to InPlay against delivery of such Subscription Receipts. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. Such events include, but are not limited to: (i) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Subscription Receipts or the Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any Governmental Authority, and has not been rescinded, revoked or withdrawn; (ii) any inquiry, action, suit, investigation (whether formal or informal) or other proceeding is instituted, announced or threatened or any order is issued under or pursuant to any relevant statute or policy or made by any Governmental Authority in relation to the Corporation, or there is any change in law, regulation or policy, or the interpretation or administration thereof, or there is a general moratorium on banking activities in the United States or Canada declared by relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services, which, in any such cases, in the opinion of the Underwriters, or any of them, acting reasonably, operates to impact, suspend, restrict, inhibit, prevent or otherwise adversely impact the distribution or trading of the Subscription Receipts or Common Shares; (iii) there should occur, be discovered by the Underwriters or be announced by the Corporation, any material change, a new material fact, undisclosed material fact or a change in any material fact in respect of the Corporation which, in the opinion of the Underwriters, or any of them, acting reasonably, has or could be reasonably expected to have a significant adverse effect on the market price or value of the Subscription Receipts or Common Shares; or could reasonably be expected to result in the purchasers of a material number of Subscription Receipts or Common Shares underlying the Subscription Receipts exercising their rights under applicable securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof; (iv) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, act of war, terrorism, pandemic), or any law, action, regulation, tariff or other occurrence of any nature whatsoever, which, in the opinion of the Underwriters, or any of them, acting reasonably seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of the Corporation; (v) the Corporation shall be in breach of or in default under or non-compliance with any covenant, term or condition of the Underwriting Agreement, the Subscription Receipt Agreement or the Acquisition Agreement (and, in the case of the Acquisition Agreement, that is either not capable of being cured or which remains uncured following the completion of any cure period prescribed in the Acquisition Agreement), in any material respect, or any representation or warranty given by the Corporation in the Underwriting Agreement, the Subscription Receipt Agreement or the Acquisition Agreement becomes or is false in any material respect and, which, in the opinion of the Underwriters, or any of them, acting reasonably, could be reasonably expected to have a significant adverse effect on the market price or value of the Common Shares or the Subscription Receipts or any other securities of the Corporation; or (vi) a Termination Event has occurred. In addition, InPlay's obligations and the obligations of the Underwriters under the Underwriting Agreement to complete the purchase and sale of the



Subscription Receipts will terminate automatically if the Acquisition Agreement is terminated or if we have advised the Underwriters or announced to the public that we do not intend to proceed with the Acquisition. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

If one or more Underwriters fails to purchase the Subscription Receipts which it has agreed to purchase, the remaining Underwriter(s) may terminate their obligation to purchase their allotment of Subscription Receipts, or may, but are not obligated to, purchase the Subscription Receipts not purchased by the Underwriters or Underwriters which fail to purchase; provided, however, that in the event that the percentage of the total number of Subscription Receipts which one or more Underwriters has failed or refused to purchase is 5% or less of the total number of the Subscription Receipts which the Underwriters have agreed to purchase, the other Underwriters shall be obligated severally and not jointly, nor jointly and severally, to purchase on a pro rata basis the Subscription Receipts which would otherwise have been purchased by the one or more Underwriters which failed or refused to purchase. The Underwriters are, however, obligated to take up and pay for all Subscription Receipts if any are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that we will indemnify the Underwriters and their directors, officers, agents, Shareholders and employees against certain liabilities and expenses. See "*Details of the Offering*".

Pursuant to applicable securities legislation, the Underwriters may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase Subscription Receipts. The foregoing restriction is subject to exceptions, provided the bid or purchase is not engaged in for the purpose of creating actual or apparent trading in, or raising the price of, the Subscription Receipts or Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

InPlay has been advised by the Underwriters that, in connection with the Offering, the Underwriters may effect transactions which stabilize or maintain the market price of the Subscription Receipts and Common Shares at levels other than those that might otherwise prevail in the open market, but at each only as permitted by applicable securities laws. Such transactions, if any, may be discontinued at any time.

The Underwriters propose to offer the Subscription Receipts initially at the offering price specified herein. After a reasonable effort has been made to sell all of the Subscription Receipts at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Subscription Receipts or Common Shares, as applicable, remaining unsold. In the event the offering price of the Subscription Receipts or Common Shares, as applicable, is reduced, the compensation received by the Underwriters will be decreased by the amount the aggregate price paid by the purchasers for the Subscription Receipts or Common Shares, as applicable, is less than the gross proceeds paid by the Underwriters to InPlay for the Subscription Receipts. Any such reduction will not affect the proceeds we receive.

InPlay and each of its senior officers and directors have agreed that, prior to 90 days after the Closing Date, it will not, other than in connection with the Acquisition, offer, issue, sell, grant, secure, pledge, or otherwise transfer, dispose of or monetize, or engage in any hedging transaction, or enter into any form of agreement or arrangement the consequence of which is to alter economic exposure to, or announce any intention to do so, in any manner whatsoever, any Common Shares or equity securities of the Corporation or securities convertible into, exchangeable for, or otherwise exercisable to acquire Common Shares or equity securities of the Corporation, including the Subscription Receipts, other than for purposes of (i) for bona fide tax or estate planning; (ii) the exercise of incentive securities; (iii) the sale of Common Shares in connection with the settlement of incentive securities to satisfy taxes payable; (iv) the sale of Common Shares acquired on the settlement of incentive securities; (v) the grant or exercise of stock options and other similar issuances pursuant to the share incentive plan of the Corporation and other share compensation arrangements; (vi) obligations of the Corporation in respect of existing agreements; (vii) the issuance of securities by the Corporation in connection with acquisitions in the normal course of business; (viii) the issuance of securities by the Corporation in connection with the Acquisition, or (ix) in the case of a person other than the Corporation, in order to accept a bona fide take-over bid made to all securityholders of the Corporation or similar business combination transaction, without the prior written consent of the Lead Underwriters, which consent shall not be unreasonably withheld or delayed.

The Subscription Receipts offered hereby and the Common Shares have not been and will not be registered under the 1933 Act, or any state securities laws, and accordingly may not be offered, sold or delivered within the United States or to, or for the account of, a U.S. person except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. Except as permitted in the Underwriting Agreement and as expressly permitted by applicable laws of the United States, the Underwriters acting through their United States broker-dealer affiliates will not offer, sell or deliver the Subscription Receipts within the United States or to, or for the account or benefit of, any U.S. person. The Underwriting Agreement permits the Underwriters, acting through their registered United States broker-dealer affiliates, to offer and resell the Subscription Receipts to (i) "qualified institutional buyers" (as defined in Rule 144A under the 1933 Act), in the United States, provided such offers and sales are made in transactions exempt from the registration requirement of the 1933 Act in accordance with Rule 144A thereunder and (ii) institutions who are "accredited investors" (as defined in Rule 501(a)(1), (2), (3),(7) or (12) of Regulation D under the 1933 Act) ("**U.S. Institutional Accredited Investors**") and in accordance Section 4(a)(2) and/or Rule 506(b) of Regulation D under the 1933 Act, and in each case, in compliance with exemptions under applicable U.S. state securities laws. Additionally, the Underwriting Agreement provides that the Underwriters will offer and sell the Subscription Receipts outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act. The Subscription Receipts and the Common Shares underlying the Subscription Receipts that are sold in the United States or to, or for the account or benefit of, a U.S. person will be "restricted securities" within the meaning of Rule 144(a)(3) of the 1933 Act and may only be offered, sold, transferred, delivered or otherwise disposed of pursuant to certain exemptions from the registration requirements of the 1933 Act and the securities laws of the applicable state of the United States.

In addition, until 40 days after the commencement of the Offering, an offer or sale of Subscription Receipts or Common Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement under the 1933 Act and similar exemptions under applicable state securities laws.

The Subscription Receipts will not be offered or sold, including by way of "private placement" or otherwise, in Québec or to purchasers resident in Québec as part of the Offering.

#### **RELATIONSHIP BETWEEN INPLAY AND CERTAIN OF THE UNDERWRITERS**

**Each of ATB and NBF are direct or indirect wholly-owned subsidiaries or affiliates of a Canadian chartered bank (or other financial institution) that are InPlay's or its affiliates' existing or proposed lenders pursuant to the Existing Credit Facility to which the Corporation is presently indebted, and the New Credit Facilities, respectively. ATB is a wholly-owned subsidiary of ATB Financial. ATB Financial is a provincially regulated financial institution and is also a lender of the Corporation pursuant to the Existing Credit Facility and will be a lender to InPlay pursuant to the New Credit Facilities. NBF is a wholly-owned subsidiary of National Bank of Canada. National Bank of Canada is a federally regulated financial institution and will be a lender to InPlay pursuant to the New Credit Facilities. Accordingly, InPlay may be considered a "connected issuer" of these Underwriters under applicable Canadian Securities Laws. As at February 20, 2025, InPlay and its subsidiaries were indebted to the ATB Financial under the Existing Credit Facility in the aggregate amount of approximately \$75 million (inclusive of \$5.4 million in fees and deposits relating to the Acquisition).**

In addition, each of ATB and NBF is acting as the financial advisor to the Corporation in connection with the Acquisition and will receive certain fees from InPlay in such capacity, including upon the successful completion of the Acquisition. Accordingly, pursuant to applicable Canadian Securities Laws, the Corporation may be considered a "connected issuer" of each such Underwriter.

The Corporation is in compliance with all terms of the Existing Credit Facility and the lenders thereunder have not waived any breach by the Corporation of any agreements relating thereto since the execution of the Existing Credit Facility. The Existing Credit Facility is secured by a first fixed and floating charge debenture over all assets of the Corporation in the amount of \$150 million. Under the terms of the Existing Credit Facility, the Corporation is required to meet certain reporting and operating requirements. Neither the financial position of the Corporation nor the value of the security under the Existing Credit Facility, has changed substantially since the indebtedness of the Corporation under the Existing Credit Facility was incurred, other than in the ordinary course of the Corporation's business. See "*Consolidated Capitalization*".

Before the closing of the Acquisition, proceeds from the sale of the Subscription Receipts may, from time to time, be deposited or invested, as applicable, in short-term deposits or securities, including with the Underwriters or their affiliates, by the Escrow Agent. See "*Details of the Offering*".

The decision to distribute the Subscription Receipts hereunder and the determination of the terms of the Offering were made through negotiations between the Corporation and the Lead Underwriters, on their own behalf and on behalf of the other Underwriters. None of the Lenders nor the lenders under the Existing Credit Facility have been or will be involved in the decision to offer the Subscription Receipts and none have been or will be involved in the determination of the terms of any distribution of Subscription Receipts. The Lenders affiliated with ATB and NBF have been advised of the issuance and the terms hereof. As a consequence of the sale of the Subscription Receipts pursuant to this Prospectus Supplement, each of the Underwriters will receive a fee in respect of the Subscription Receipts sold through such Underwriter. See "*Plan of Distribution*".

## INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Burnet, Duckworth & Palmer LLP on InPlay's behalf, and by Bennett Jones LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of Burnet, Duckworth & Palmer LLP, as a group, and Bennett Jones LLP, as a group, own, directly or indirectly, less than 1% of the Common Shares.

PwC are the auditors of InPlay. PwC's appointment as auditors for the 2024 year-end was approved by the Shareholders at InPlay's annual general meeting in 2024. The Board has determined that it will propose PwC's appointment as auditors of InPlay to the Shareholders at InPlay's annual general meeting in 2025. PwC has advised that they are independent with respect to the Corporation within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the Code of Professional Conduct of Chartered Professional Accountants of Alberta, and any applicable legislation or regulations.

KPMG are the auditors of the Vendor. KPMG has advised InPlay that they are independent with respect to the Vendor within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the Code of Professional Conduct of Chartered Professional Accountants of Alberta, and any applicable legislation or regulations.

Neither of the designated professionals of Sproule nor GLJ, InPlay's and the Vendor's independent reserves evaluators, respectively, have any registered or beneficial interests, direct or indirect, in any of InPlay's securities or other property or of InPlay's associates or affiliates either at the time they prepared the statements, reports or valuations prepared by it, at any time thereafter or to be received by them.

## CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Counsel, the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a subscriber who acquires, as beneficial owner, Subscription Receipts pursuant to the Offering and who, for purposes of the Tax Act, holds the Subscription Receipts and will hold the Common Shares as capital property, deals at arm's length with, and is not affiliated with, InPlay, the Underwriters and any subsequent purchaser of the Securities, and is not exempt from tax under Part I of the Tax Act (a "**Holder**"). Generally, the Securities will be considered to be capital property to a Holder provided the Holder does not, and is not deemed to, hold the Securities in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to: (i) a Holder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules; (ii) a Holder an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iii) a Holder that is a "specified financial institution" as defined in the Tax Act; (iv) a Holder that reports its "Canadian tax results" (as defined in the Tax Act), in a currency other than Canadian currency; (v) a Holder that has or will enter into a "derivative forward agreement" or a "synthetic equity arrangement" (each as defined in the Tax Act) with respect to the Subscription Receipts and the Common Shares; or (vi) a Holder that receives dividends on

the Common Shares under or as part of a "dividend rental agreement" (as defined in the Tax Act). **Any such Holder should consult its own tax advisor with respect to an investment in the Subscription Receipts or Common Shares.**

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada (for the purpose of the Tax Act) or a corporation that does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada, and that is or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Subscription Receipts and the Common Shares controlled by a non-resident corporation, individual or trust (or group of such persons that do not deal at arm's length) for the purposes of the "foreign affiliate dumping" rules in Section 212.3 of the Tax Act. Such Holders should consult their tax advisors with respect to the consequences of acquiring the Subscription Receipts or Common Shares.

In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Subscription Receipts and/or Common Shares under this Offering.

This summary is based upon the provisions of the Tax Act in force as of the date hereof and Counsel's understanding of the current published administrative and assessing practices of the CRA. Except for specifically proposed amendments to the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof, this summary does not take into account or anticipate changes in the income tax law, whether by legislative, governmental or judicial action, nor any changes in the administrative or assessing practices of the CRA.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or Holder of the Subscription Receipts and Common Shares, and no representations with respect to the income tax consequences to any prospective purchaser or Holder are made. Consequently, prospective Holders of Subscription Receipts and Common Shares should consult their own tax advisors with respect to their particular circumstances.**

**This summary does not address any tax considerations other than certain Canadian federal income tax considerations. Purchasers of Subscription Receipt and/or Common Shares who are resident in (or citizens of) jurisdictions other than Canada should consult their tax advisors with respect to the tax implications of acquiring, converting, holding and disposing of Subscription Receipts and/or Common Shares.**

This summary is based upon Counsel's understanding that a Subscription Receipt evidences a contractual right to acquire a Common Share on the satisfaction of certain conditions. No advance tax ruling in respect of the Offering has been sought from the CRA and Counsel is not aware of any judicial authority relating to this characterization.

### **Holders Resident in Canada**

The following portion of the summary applies to a Holder who, at all relevant times, for purposes of the Tax Act, is, or is deemed to be, resident in Canada and is not exempt from tax under Part I of the Tax Act (a "**Resident Holder**").

Certain Resident Holders who might not otherwise be considered to hold their Common Shares as capital property may, in certain circumstances, be entitled to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holders treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election is not available in respect of the Subscription Receipts.

### *Cost of Subscription Receipts*

The cost to a Resident Holder of a Subscription Receipt will generally be the amount paid to acquire the Subscription Receipt, less the aggregate of all Dividend Equivalent Payments received by the Resident Holder at or before that time that are a partial refund of the issue price for the Subscription Receipt (See "*Holders Resident in Canada— Payment of Dividend Equivalent*" below). The adjusted cost base of a Subscription Receipt acquired at any time will be determined by averaging the cost of such Subscription Receipt immediately before such time with the adjusted cost base of any other Subscription Receipts owned by the Resident Holder as capital property at such time.

### *Acquisition of Common Shares Pursuant to Terms of the Subscription Receipts*

A Resident Holder of Subscription Receipts will not be considered to dispose of the Subscription Receipts, and no gain or loss will be realized by a Resident Holder, on the acquisition of Common Shares pursuant to the Subscription Receipts.

The cost of a Common Share acquired pursuant to a Subscription Receipt will generally be equal to (i) the amount paid to acquire the Subscription Receipt and (ii) the Resident Holder's pro rata share of any interest received or credited on the investment of the Escrowed Funds ("**Earned Interest**") that is included in the Resident Holder's income but remitted to the Corporation upon the acquisition of the Common Share pursuant to the Subscription Receipt, less (iii) the aggregate of all Dividend Equivalent Payments received by or, in the event that the Dividend Equivalent Payment is received after the issuance of the Common Shares pursuant to the terms of the Subscription Receipt, receivable by, the Resident Holder out of the Escrowed Funds that are a partial refund of the amount paid to acquire the Subscription Receipts as described under the heading "*Holders Resident in Canada – Payment of Dividend Equivalent*". The cost of Common Shares received will generally be averaged with the cost of all other Common Shares held by the Resident Holder as capital property to determine the adjusted cost base of each Common Share held by the Resident Holder.

### *Other Dispositions of Subscription Receipts*

A disposition or deemed disposition by a Resident Holder of Subscription Receipts, other than on the conversion thereof for a Common Share, but including on the repayment of the subscription price thereof by the Escrow Agent in the event the Acquisition is not completed before the Termination Time, will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition are greater (or less) than the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition. The cost to a Resident Holder of a Subscription Receipt will generally be the amount paid to acquire the Subscription Receipt. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

In the event that a Resident Holder becomes entitled to the repayment of the subscription price of a Subscription Receipt, any amount that is paid to the holder as, or on account of, interest and that is included in the Resident Holder's income, will be excluded from the holder's proceeds of disposition of the Subscription Receipts.

### *Acquisition Failing to Close*

In the event of a Termination Event, Resident Holders of a Subscription Receipt will be entitled to receive from the Escrow Agent the Termination Payment, being an amount equal to (i) the amount paid to acquire the Subscription Receipt, plus (a) any unpaid Dividend Equivalent Payment owing in respect of the Subscriptions Receipts at any time following the issuance of the Subscription Receipts, or (b) if no Dividend Equivalent Payment has been paid or is payable in respect of the Subscription Receipts at any time following the issuance of the Subscription Receipts, such holder's pro rata share of any Earned Interest.

The Termination Payment will be made from the balance of the Escrowed Funds at the Termination Time, provided that if the balance of the Escrowed Funds is insufficient to cover the full amount of the Termination Payment, InPlay will be required to pay to the Escrow Agent an amount equal to the deficiency between the amount of the Escrowed Funds and the aggregate of the Termination Payments due (the "**Termination Top-up**").

The repayment of the subscription price of the Subscription Receipt out of Escrowed Funds will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Subscription Receipt exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base of the Subscription Receipt and any reasonable costs of disposition.

Any part of the Termination Payment that is paid to the Resident Holder as, or on account of, interest and that is included in the Resident Holder's income, will be, and the Termination Top-up (other than any portion of the Termination Top-up that is an amount paid by the Corporation as a refund of the issue price for the Subscription Receipts) should be, excluded from the Resident Holder's proceeds of disposition of the Subscription Receipt. Any

such Termination Top-up should be included in the income of the Resident Holder in the same manner as the *pro rata* share of Earned Interest, as described under "*Holder Resident in Canada – Holding and Disposing of Subscription Receipts – Pro Rata Share of Interest*". For greater certainty, the Termination Top-up (other than any portion of the Termination Top-up that is an amount paid by InPlay as a refund of the issue price for the Subscription Receipts) should be taxed as ordinary income and will not be treated as a dividend for the purposes of the Tax Act.

#### *Pro Rata Share of Interest*

As described above under the heading "*Holders Resident in Canada – Holding and Disposing of Subscription Receipts – Acquisition Failing to Close*", in the event of a Termination Event, Resident Holders will be entitled to receive their *pro rata* share of any Earned Interest.

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any amount of interest (i) that accrues or that is deemed to accrue to it to the end of the particular taxation year, or (ii) that has become receivable by or is received by it before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year, and such amounts will be excluded from the Resident Holder's proceeds of disposition. This will include any interest on the Escrowed Funds, whether or not such interest is received or receivable by the Holder, including interest on the Escrowed Funds that is remitted to the Corporation upon the acquisition of a Common Share pursuant to a Subscription Receipt.

Any other Resident Holder that is entitled to receive its share of accrued interest will be required to include in computing income for a taxation year such interest that is receivable or received by the Resident Holder, or by the Escrow Agent on behalf of the Resident Holder, in that taxation year, depending upon the method regularly followed by the Resident Holder in computing income, and such interest will be excluded from the Resident Holder's proceeds of disposition.

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout the relevant taxation year, or a "substantive CCPC" (as defined in the Tax Act) at any time in a taxation year may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which generally includes interest income.

#### *Payment of Dividend Equivalent*

As described above under the heading "Details of Offering", a holder of a Subscription Receipt will be entitled to cash payments out of the Escrowed Funds equal to the Dividend Equivalent Payment concurrently with, any dividends on the Common Shares for which record dates occur during the period commencing on the Closing Date to, but excluding, the last day the Subscription Receipts remain outstanding. The Dividend Equivalent Payment, if any, will first be paid out of the Resident Holder's *pro rata* share of Earned Interest. The amount of any such interest paid out as a Dividend Equivalent Payment will generally be included in computing the Resident Holder's income as described under "*Holders Resident in Canada – Pro Rata Share of Interest*" above.

If the amount of interest or other income credited or received on the Escrowed Funds is less than the Dividend Equivalent Payment, an amount will be paid by the Escrow Agent out of the Escrowed Funds to the Resident Holder up to the amount of any shortfall as a partial refund of the issue price for the Subscription Receipt. Such refund amount generally will not be included in the Resident Holder's income and should reduce the cost of the Subscription Receipt to the Resident Holder.

For greater certainty, the Dividend Equivalent Payment will not be treated as a dividend for the purposes of the Tax Act and no part of the Dividend Equivalent Payment will benefit from the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received by individuals from "taxable Canadian corporations" (as defined in the Tax Act). Where the Dividend Equivalent Payment is received by a corporation, the amount will not be deductible in computing the corporation's taxable income and will not result in the requirement to pay the refundable Part IV tax.

### *Disposition of Common Shares*

In general, a disposition or a deemed disposition of a Common Share by a Resident Holder (except to InPlay) will generally result in the Resident Holder realizing a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Common Share exceed (or are less than) the aggregate of the adjusted cost base to the Resident Holder thereof and any reasonable costs of disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under "*Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

For the purpose of determining the adjusted cost base to a Resident Holder of Common Shares, when a Common Share is acquired other than pursuant to the terms of a Subscription Receipt, the cost of the newly-acquired Common Share will be averaged with the adjusted cost base of all of the Common Shares owned by the Resident Holder as capital property immediately before that acquisition. The adjusted cost base of a Common Share to a Resident Holder will be the cost to the Resident Holder of the Common Share, with certain adjustments.

### *Dividends on Common Shares*

Dividends received or deemed to be received on Common Shares by a Resident Holder will be included in computing the Resident Holder's income for the purposes of the Tax Act. Dividends received or deemed to be received by a Resident Holder who is an individual will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit for "eligible dividends". A dividend will be eligible for the enhanced gross-up and dividend tax credit if InPlay designates the dividend as an eligible dividend. There may be limitations on the ability of InPlay to designate dividends as eligible dividends in the future.

Taxable dividends received by an individual (other than certain trusts) may give rise to alternative minimum tax under the Tax Act, depending on the individual's circumstances. Recent amendments to the Tax Act applicable to taxation years beginning after December 31, 2023 may affect the liability of a Resident Holder for alternative minimum tax. Resident Holders who are individuals should consult their own tax advisors in this regard.

A dividend received or deemed to be received by a Resident Holder that is a corporation must be included in computing its income for a taxation year but will generally be deductible in computing the corporation's taxable income, subject to all of the rules and restrictions under the Tax Act in that regard. In certain circumstances subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. A corporation that is a "private corporation" (as defined in the Tax Act) or any other corporation controlled (whether because of a beneficial interest in one or more trusts or otherwise) by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), generally will be liable to pay an additional tax (refundable under certain circumstances) under Part IV of the Tax Act on dividends received or deemed to be received on Common Shares in a year to the extent such dividends are deductible in computing taxable income for the year. Resident Holders that are corporations are urged to consult their own tax advisors.

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

Subject to the Capital Gains Tax Proposals (as defined below), one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year must be included in the Resident Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Common Share (or on a share for which the Common Share has been substituted) to the extent and under the circumstances described

by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly, through a partnership or a trust.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay an additional refundable tax on its "aggregate investment income" (as defined in the Tax Act) for the year, which includes taxable capital gains.

Capital gains realized by an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

Proposed Amendments tabled in Parliament on September 23, 2024 (the "**Sept 2024 Capital Gains Tax Proposals**") proposed to increase the inclusion rate for capital gains and capital losses (being the portion of such capital gains and capital losses constituting taxable capital gains or allowable capital losses, respectively) from one-half to two-thirds. Under such Sept 2024 Capital Gains Tax Proposals, a Holder that is an individual (excluding most types of trusts) would be required to include in computing its income only one-half of net capital gains realized in a taxation year in which the increased rate applies up to a maximum of \$250,000, with the two-thirds inclusion rate applying to the portion of net capital gains realized in the year that exceeds \$250,000. On January 31, 2025, the Minister of Finance (Canada) announced (the "**Deferral Announcement**", and together with the Sept 2024 Capital Gains Tax Proposals, the "**Capital Gains Tax Proposals**") that the increase in the inclusion rate would apply in respect of capital gains and capital losses realized on or after January 1, 2026.

**The detailed legislative amendments set forth in the Sept 2024 Capital Gains Tax Proposals – which were proposed to be effective in respect of capital gains and capital losses realized on or after June 25, 2024 – lapsed when the Parliament of Canada was prorogued on January 6, 2025, and legislative amendments to implement the Capital Gains Tax Proposals in light of the Deferral Announcement have not been released. On January 31, 2025, following the Deferral Announcement, the CRA announced its intention to administer the currently enacted capital gains inclusion rate of one-half in respect of capital gains realized before January 1, 2026. Prospective purchasers and Holders should consult their own tax advisors with respect to these Capital Gains Tax Proposals.**

### **Holders Not Resident in Canada**

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not, and is not deemed to, use or hold the Subscription Receipts or Common Shares in a business carried on in Canada (a "**Non-Resident Holder**"). This part of the summary is not applicable to a Non-Resident Holder that is an insurer carrying on an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Tax Act). Prospective holders of Subscription Receipts who are not resident in Canada should consult their own tax advisors with respect to their particular circumstances in their country of residence.

#### *Acquisition of Common Shares pursuant to terms of the Subscription Receipts*

A Non-Resident Holder should not realize a capital gain or loss on the issuance of a Common Share pursuant to a Subscription Receipt.

#### *Payment of Dividend Equivalent*

As described above, a holder of a Subscription Receipt will be entitled to cash payments out of the Escrowed Funds equal to the Dividend Equivalent Payment concurrently with, any dividends on the Common Shares for which record dates occur during the period commencing on the Closing Date to, but excluding, the last day the Subscription Receipts remain outstanding.

The Dividend Equivalent Payment, if any, will first be paid out of the Non-Resident Holder's pro rata share of Earned Interest. The amount of such interest payable to a Non-Resident Holder will be subject to tax under the Tax Act to the



extent that it is "participating debt interest" (within the meaning of the Tax Act). If such interest is considered to be participating debt interest, the amount paid to a Non-Resident Holder would be subject to Canadian withholding tax at the statutory rate of 25% (subject to reduction under an applicable income tax convention between Canada and the Non-Resident Holder's country of residence).

In this respect, it is uncertain whether or not such interest would constitute "participating debt interest" for purposes of the Tax Act. The Escrow Agent intends to withhold at the statutory rate of 25% (subject to reduction under an applicable income tax convention between Canada and the Non-Resident Holder's country of residence) on the portion of any Dividend Equivalent Payment which is paid by way of a pro rata share of Earned Interest that is paid to a Non-Resident Holder.

If the amount of the Earned Interest is less than the Dividend Equivalent Payment, an amount will be paid by the Escrow Agent out of the Escrowed Funds to the Non-Resident Holder up to the amount of any shortfall as a partial refund of the subscription price paid for the Subscription Receipt. Such shortfall amount generally should reduce the cost to the Non-Resident Holder of the Common Shares acquired on the exchange of the Subscription Receipts and should not be subject to Canadian withholding tax.

Non-Resident Holders are advised to consult their own tax advisors regarding the tax consequences of the receipt of a Dividend Equivalent Payment.

#### *Other Dispositions of Subscription Receipts*

On a disposition of a Subscription Receipt (other than on the acquisition of a Common Share pursuant to the terms of Subscription Receipts as discussed above), but including on the repayment of the subscription price thereof by the Escrow Agent in the event the Acquisition is not completed before the Termination Time, a Non-Resident Holder should not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder, unless the Subscription Receipt constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX) at the time of disposition, Subscription Receipts should not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition or deemed disposition thereof unless at any particular time during the 60-month period immediately preceding the disposition the following two conditions have been met concurrently: (a) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act), partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder does not deal at arm's length (within the meaning of the Tax Act) holds a membership interest directly or indirectly through one or more partnerships, or any combination thereof owned 25% or more of any class of the capital stock of InPlay, and (b) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act) or (iv) an option, an interest or right in such property, whether or not such property exists (the conditions described in (a) and (b) are the "**TCP Conditions**"). Notwithstanding the foregoing, Subscription Receipts may be deemed to be "taxable Canadian property" in certain other circumstances. A Non-Resident Holder contemplating a disposition of Subscription Receipts that may constitute taxable Canadian property should consult its own tax advisor prior to such disposition.

#### *Pro Rata Share of Interest*

A Non-Resident Holder will generally not be subject to Canadian withholding tax in respect of amounts paid or credited or deemed to have been paid or credited, on account or in lieu of payment of, or in satisfaction of any such Earned Interest.

### **Holding and Disposing of Common Shares**

#### *Dividends on Common Shares*

Any dividends paid or credited, or deemed to be paid or credited, on the Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend or deemed dividend unless the rate is reduced under the provisions of an applicable income tax convention, which the Non-Resident Holder is entitled to the benefits of, between Canada and the Non-Resident Holder's country of residence. For instance, where the Non-Resident Holder is a resident of the U.S. that is entitled to full benefits under the Canada-United States Income Tax Convention (1980), as amended, and is the beneficial owner of the dividends (a "U.S. Treaty Holder"), the rate of Canadian withholding tax applicable to dividends is generally reduced to 15% (or 5% in the case of a U.S. Treaty Holder that is a corporation beneficially owning at least 10% of InPlay's voting shares).

#### *Disposition of Common Shares*

A Non-Resident Holder should not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition of a Common Share issuable pursuant to the terms of the Subscription Receipts, unless the Common Share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

As long as the Common Shares are then listed on a designated stock exchange (which currently includes the TSX), Common Shares should not constitute "taxable Canadian property" to a Non-Resident Holder at the time of the disposition or deemed disposition thereof unless at any particular time during the 60-month period immediately preceding the disposition, the TCP Conditions are met. Notwithstanding the foregoing, Common Shares may be deemed to be "taxable Canadian property" in certain other circumstances. A Non-Resident Holder contemplating a disposition of Common Shares that may constitute taxable Canadian property should consult its own tax advisor prior to such disposition.

### **ELIGIBILITY FOR INVESTMENT**

In the opinion of Counsel, based on the current provisions of the Tax Act, the Subscription Receipts and Common Shares would, if issued on the date hereof, be qualified investments at the time of acquisition by a trust governed by an RRSP, an RESP, a RRIF, a DPSP, an RDSP, a TFSA or an FHSA (each an "**Exempt Plan**"), provided that, at the time of the acquisition by the Exempt Plan, (i) in the case of the Subscription Receipts: (a) the Common Shares are listed on a designated stock exchange at that time or the Corporation is otherwise a "public corporation" as defined in the Tax Act; (b) the Corporation is not, and deals at arm's length for purposes of the Tax Act with each person who is, an annuitant, a beneficiary, an employer or a subscriber under, or holder of, such Exempt Plan; and (c) the Escrowed Funds are invested in one or more "qualified investments" (as defined in the Tax Act) for such Exempt Plan, and (ii) in the case of the Common Shares, either such shares are listed on a designated stock exchange or the Corporation is otherwise a "public corporation" (as defined in the Tax Act).

Notwithstanding the foregoing, if the Subscription Receipts or the Common Shares are "prohibited investments" (as defined in the Tax Act) for a trust governed by an Exempt Plan, the holder, annuitant or subscriber thereof, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Subscription Receipts and the Common Shares will not be prohibited investments for a trust governed by an Exempt Plan provided that the holder, annuitant or subscriber thereof, as the case may be, (a) deals at arm's length with the Corporation for purposes of the Tax Act, and (b) does not have a "significant interest" (as defined in the Tax Act) in the Corporation. In addition, the Common Shares will not be "prohibited investments" if the Common Shares are "excluded property" (as defined in the Tax Act) for a trust governed by an Exempt Plan.

Prospective purchasers who intend to hold the Subscription Receipts and/or the Common Shares issued pursuant to the Subscription Receipts in an Exempt Plan should consult their own tax advisors as to whether the Subscription Receipts and the Common Shares will be prohibited investments in their particular circumstances.

### **RISK FACTORS**

**An investment in the Subscription Receipts or the underlying Common Shares is subject to certain risks. In addition to the risk factors set forth below, additional risk factors relating to InPlay's business are discussed in**

the AIF, Annual MD&A, Interim MD&A and certain other documents incorporated by reference or deemed to be incorporated by reference in the Prospectus, which risk factors are incorporated by reference herein. Prospective purchasers of the Subscription Receipts should consider carefully the risk factors set forth below, as well as the other information contained in and incorporated by reference in this Prospectus Supplement before purchasing the Subscription Receipts. As an investment in the Subscription Receipts will become an investment in Common Shares if the Escrow Release Conditions and delivery of the Notice to the Escrow Agent, and acknowledged by the Lead Underwriters, on or before the Deadline, potential investors should consider the risks set out in this Prospectus Supplement and those set out in, or incorporated by reference into, the Prospectus regarding the Common Shares, in addition to the risks relating to the Subscription Receipts. If any event arising from these risks occurs, InPlay's business, prospects, financial condition, results of operations or cash flows, or your investment in the Subscription Receipts and the Common Shares underlying the Subscription Receipts could be materially adversely affected.

### ***Trade War***

On February 1, 2025, the Trump administration announced a 25% broad-based tariff on exports out of Canada into the United States, as well as a 10% tariff on energy (including oil and natural gas), initially effective February 4, 2025 but has been subsequently delayed. Canada's Liberal administration announced a 25% retaliatory counter-tariff on \$155 billion worth of U.S. goods. Such tariffs could have a material adverse impact on the Canadian economy, the Canadian oil and natural gas industry and the Corporation. In addition to the tariffs on Canadian imports into the United States, the Trump administration also announced 25% tariffs and 10% tariffs on imports into the United States from Mexico and China, respectively. There is a risk that the tariffs imposed by the United States will trigger a broader global trade war which could have a significant adverse impact on the Canadian, United States and global economies.

The timing and implementation of new tariffs is uncertain. To the extent implemented, any such tariffs may have an adverse effect on InPlay's overall revenue, cash flow and profitability. Changes in governmental regulation between Canada and the U.S., including tariffs, taxes and other trade barriers, may adversely affect InPlay's business, results of operations and financial condition.

### ***Inability to Complete the Acquisition due to Adverse Tariff Event***

It is a condition to the initial funding under the New Credit Facilities that no Adverse Tariff Event shall have occurred between entering into the Commitment Letter and the funding date pursuant thereto. Should an Adverse Tariff Event occur and the Lenders do not waive the condition, the Lenders are not obligated to fund and InPlay will be unable to complete the Acquisition. Additionally, the Underwriters may terminate their obligations to purchase Subscription Receipts following certain changes to regulatory regimes. InPlay will have incurred significant costs associated with the Acquisition, regardless of completion.

### ***Possible Failure to Complete the Acquisition***

The Acquisition is subject to the satisfaction of the conditions set forth in the Acquisition Agreement summarized herein, including but not limited to Shareholder approval, as well as normal commercial risk that the Acquisition may not be completed on the terms negotiated or at all.

If closing of the Acquisition does not take place by the Termination Time, the Escrow Agent will repay to holders of Subscription Receipts an amount equal to the issue price therefore plus a pro rata share of the interest earned on the Escrowed Funds, if any. In that case, the total return that a purchaser of Subscription Receipts would be entitled to receive would be limited to the purchaser's pro rata share of interest earned on the subscription price for such purchaser's Subscription Receipts, if any. The purchaser would not be entitled to participate in any growth in the trading price of the Common Shares. Further, the purchaser would be restricted from using the funds devoted to the acquisition of the Subscription Receipts for any other investment opportunities until the Escrowed Funds are returned to the purchaser. See "Recent Developments".

### ***Possible Failure to Realize Anticipated Benefits of the Acquisition***

The Corporation is proposing to complete the Acquisition to strengthen InPlay's position in the oil and natural gas industry and to create the opportunity to realize certain benefits as described in "*Recent Developments – The Acquisition*" and "*Information Regarding the Acquired Assets*". Achieving the benefits of the Acquisition depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from integrating the Acquired Assets into InPlay's existing portfolio of properties. The integration of the Acquired Assets requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of the Acquisition.

#### ***Potential Undisclosed Liabilities Associated with the Acquisition***

In connection with the Acquisition, there may be liabilities that InPlay failed to discover or was unable to quantify in the Corporation's due diligence which the Corporation conducted prior to the execution of the Acquisition Agreement, and InPlay may not be indemnified for some or all of these liabilities.

#### ***Engineering, Title, Environmental and Economic Assessments required for the Acquisition that may be Materially Incorrect***

Acquisitions of oil and natural 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 and 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 Corporation's control. 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 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 Corporation's title to certain assets or that environmental defects or deficiencies do not exist.

#### ***Credit Facility Risk***

The amount authorized under the New Credit Facilities is dependent on the borrowing base determined by the Lenders. The Corporation is required to comply with covenants under the New Credit Facilities, which from time to time either affect the availability, or price, of additional funding, and in the event that the Corporation does not comply therewith its access to capital could be restricted or repayment could be required. The failure of the Corporation to comply with such covenants, including but not limited to those relating to hedging, which may be affected by events beyond the Corporation's control, could result in a default under the New Credit Facilities, which could result in the Corporation being required to repay amounts owing thereunder. Even if the Corporation is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If the Corporation is unable to repay amounts owing, the Lenders under the New Credit Facilities could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The acceleration of the Corporation's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the New Credit Facilities may, from time to time, impose operating and financial restrictions on the Corporation that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to the Corporation's securities, incurring of additional indebtedness, provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

The Corporation's borrowing base is determined and re-determined by the Lenders based on the Corporation's reserves, commodity prices, applicable discount rate and other factors as determined by the Corporation's Lenders. A material decline in commodity prices could reduce the Corporation's borrowing base, therefore reducing the funds available to

the Corporation under the New Credit Facilities which could result in a portion, or all, of the Corporation's bank indebtedness being required to be repaid.

### ***Additional Indebtedness***

Upon closing of the Acquisition, InPlay will incur additional indebtedness pursuant to the New Credit Facilities and will be subject to additional covenants, which will constrain the Corporation's ability to conduct its business. Any additional indebtedness incurred by the Corporation under the New Credit Facilities will increase the amount of interest payable by the Corporation from time to time until such indebtedness is repaid, which will represent an increase in the Corporation's interest costs and a potential reduction in the Corporation's net income. The failure of the Corporation to comply with such additional covenants, which may be affected by events beyond the Corporation's control, could result in a default under the New Credit Facilities, which could result in the Corporation being required to repay amounts owing thereunder. The Corporation may also need to find additional sources of financing to repay any such additional indebtedness when it becomes due. There can be no guarantee that the Corporation will be able to obtain financing on terms acceptable to it or at all at such time.

### ***Dilution***

Pursuant to the terms of the Acquisition Agreement, InPlay will issue 54,838,709 Common Shares pursuant to the Share Consideration and up to 21,145,625 Common Shares pursuant to the Offering (assuming the exercise of the Over-Allotment Option in full). The issuance of the up to 75,984,335 Common Shares pursuant to the Share Consideration and the Offering will represent approximately 46% of the issued and outstanding Common Shares following completion of the Acquisition and the Offering (assuming the exercise of the Over-Allotment Option in full) and will be dilutive to the Shareholders of the Corporation. Further, while Obsidian has agreed to certain restrictions on selling Common Shares issued pursuant to the Acquisition, the future sale of a substantial number of Common Shares by Obsidian or the perception that such sale could occur could adversely affect prevailing market prices for the Common Shares.

### ***Significant Shareholder***

Following completion of the Acquisition and the Offering (assuming no exercise of the Over-Allotment Option), Obsidian will own, directly or indirectly, approximately 33.6% of the outstanding Common Shares. Obsidian does not have any duty to act in the best interest of InPlay, and Obsidian is not prohibited from engaging in other business activities that may compete with those of InPlay. This concentration of ownership under certain circumstances could have the effect of delaying or preventing a change in control of InPlay.

### ***Operational, Environmental and Reserves Risks Relating to the Acquisition***

The risk factors set forth in the AIF and in this Prospectus Supplement relating to the oil and natural gas business, environmental and InPlay's operations and reserves apply equally in respect of the Acquired Assets. In particular, the reserve and recovery information contained in the Asset Reserves Report in respect of the Acquired Assets is only an estimate and the actual production from and ultimate reserves of those properties may be greater or less than the estimates contained in such reports.

This Prospectus Supplement includes certain statements based on historical information relating to the Acquired Assets. This information has been derived from the records of Vendor, which InPlay cannot confirm the accuracy of, nor will it necessarily be indicative of future results. See "*Special Note Regarding Forward-Looking Statements*".

### ***Information Provided by Vendor***

A significant amount of information relating to the Acquired Assets in this Prospectus Supplement (including the Asset Reserves Report) is based on certain information provided by Vendor. Although the Corporation has conducted what it believes to be a prudent and thorough level of investigation in connection with the Acquisition, an unavoidable level of risk remains regarding the accuracy and completeness of such information.

### ***Acquisition Related Costs***

The Corporation expects to incur a number of costs associated with completing the Acquisition and integrating the operations of Vendor into InPlay's existing operations. The substantial majority of such costs will be non-recurring expenses resulting from the Acquisition and will consist of transaction costs related to the Acquisition, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of InPlay and Vendor's respective businesses.

### ***Completion of Offering***

Although the Corporation has entered into the Underwriting Agreement with the Underwriters, there is no guarantee that all of the conditions to the completion of the Offering will be satisfied.

### ***Subscription Receipt Structure***

The holders of Subscription Receipts will receive Common Shares upon the satisfaction of the Escrow Release Conditions. Subject to the terms of the Underwriting Agreement, the Corporation may waive certain closing conditions in its favour in the Acquisition Agreement or agree to amend the Acquisition Agreement and consummate the Acquisition on terms that may be different from those described in this Prospectus Supplement. As a result, the expected benefits of the Acquisition may not be fully realized. As a consequence, holders of Subscription Receipts will essentially assume the same risk as though they had invested directly in Common Shares on the Closing Date.

### ***Dividends***

Holders of Subscription Receipts (including Subscription Receipts that may be issued upon the exercise of the Over-Allotment Option) will be entitled to Dividend Equivalent Payments in respect of any dividends on the Common Shares for which record dates occur during the period commencing on the Closing Date to, but excluding, the Release Time. Holders of Subscription Receipts will receive such payments upon the later of the date of the Release Time (or issuance of Common Shares in lieu thereof, as the case may be with respect to the Over-Allotment Option) and the date the applicable dividend is paid to Shareholders. In the event the Release Time occurs on a record date or following a record date for a dividend declared on the Common Shares but prior to the payment date of such dividend being paid to Shareholders and Dividend Equivalent Payment being paid to the Escrow Agent to form part of the Escrowed Funds, the holders of Subscription Receipts of record as of such record date shall be entitled to be paid the full Dividend Equivalent Payment for that period on the payment date of such dividend. The payment of dividends is subject to the discretion of the Board and depends on, among other things, the financial condition of InPlay, general business conditions and other factors that the Board may in the future consider to be relevant. In addition, the Corporation's ability to pay dividends following the Acquisition could be adversely affected if the free adjusted funds flow expected to result from the Acquisition does not materialize when coupled with the potentially dilutive effect of the additional Common Shares issuable pursuant to the terms of the Subscription Receipts to be issued pursuant to the Offering and to Obsidian pursuant to payment of the Purchase Price.

### ***Funds in Escrow***

The Escrowed Funds will be held in escrow pending satisfaction of the Escrow Release Conditions and delivery of the Notice to the Escrow Agent or the Termination Time. The Notice will only be delivered if the Escrow Release Condition has been satisfied prior to the Deadline. There can be no assurance that the Escrow Release Condition will be satisfied on or prior to the Deadline.

The Dividend Equivalent Payments payable to the holders of Subscription Receipts will be paid from the Escrowed Funds. The Termination Payment payable to the holders of Subscription Receipts will also be paid from the Escrowed Funds. If the balance of the Escrowed Funds at the Termination Time is insufficient to cover the aggregate amount of the Termination Payments payable to the holders of Subscription Receipts, pursuant to the Subscription Receipt Agreement, InPlay will be required to pay to the Escrow Agent, as agent on behalf of the holders of Subscription Receipts, the deficiency between the amount of Escrowed Funds at the Termination Time and the aggregate of the

Termination Payments due to the holders of Subscription Receipts. In either case, holders of Subscription Receipts will be required to rely on the Corporation to repay such funds as sufficient amounts will no longer be held in escrow.

### ***Effect of Commodity Prices on Operational and Financial Results***

The Corporation's operational and financial results are dependent on the prices received for oil and natural gas production. Any substantial and extended decline in the price of oil and natural gas has had and, if such trends continue, will have an adverse effect on, among other things, the Corporation's revenues and financial condition. See also "*Risk Factors – Prices, Markets and Marketing*" in the AIF.

### ***Impacts of U.S. Legislative and Regulatory Policies***

The recent election of President Trump in the U.S. may result in legislative and regulatory changes that could have an adverse effect on the Corporation and its financial condition. In particular, there is uncertainty regarding U.S. tariffs and support for existing treaty and trade relationships, including with Canada. Implementation by the U.S. government of new legislative or regulatory policies could impose additional costs on the Corporation, decrease U.S. demand for the Corporation's products, or otherwise negatively impact the Corporation, which may have a material adverse effect on the Corporation's business, financial condition and operations. In addition, this uncertainty may adversely impact: (i) the ability of companies to transact business with companies such as the Corporation; (ii) the Corporation's profitability; (iii) regulation affecting the Canadian oil and gas industry; (iv) global stock markets (including the TSX); and (v) general global economic conditions. All of these factors are outside of InPlay's control, but may nonetheless lead the Corporation to adjust its strategy in order to compete effectively in global markets.

### ***Volatility of Market Price of Common Shares***

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the underlying Common Shares issued pursuant to the Subscription Receipts at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "*Special Note Regarding Forward-Looking Statements*". In addition, the market price for securities in the stock markets, including the TSX, recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market prices of the Common Shares.

### ***Market for Securities***

The Corporation has applied to list the Subscription Receipts and the Common Shares underlying the Subscription Receipts on the TSX. Listing is subject to the approval of the TSX in accordance with its applicable listing requirements. However, there is currently no market through which the Subscription Receipts may be sold and there is no guarantee that an active trading market will develop. Accordingly, purchasers may not be able to resell the Subscription Receipts distributed under this Prospectus Supplement. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and the availability of trading prices and the liquidity of the securities. There can be no assurance that an active trading market will develop for the Subscription Receipts after the Offering, or if developed, that such a market will be sustained at the price level of the Offering.

### ***Impact of Future Financings***

In order to finance future operations, the Corporation may raise funds through the issuance of Common Shares or the issuance of debt instruments or securities convertible into Common Shares. The Corporation 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 Corporation's securities will have on the market price of the Common Shares.

### ***Forward-Looking Statements and FOFI may Prove Inaccurate***

Investors are cautioned not to place undue reliance on forward-looking information included in this Prospectus Supplement or the documents incorporated by reference in this Prospectus Supplement, including the forward-looking information under "*Recent Developments*". By their nature, forward-looking information and FOFI involve 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 and/or FOFI or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the FOFI presented in this Prospectus Supplement is based upon the completion of the Acquisition and the Offering, and if any of these transactions are not completed or not completed on the terms or timelines contemplated, this will impact the forward-looking FOFI provided herein, and such impact may be material. See "*Special Note Regarding Forward-Looking Statements*".

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of InPlay are PwC, Suite 3100, 111 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada T2P 5L3.

The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal offices in Calgary, Alberta and Toronto, Ontario.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after the later of (a) the date that the Corporation files this Prospectus Supplement or any amendment on SEDAR+, and (b) the date that the purchaser has entered into an agreement to purchase the securities or a contract to purchase the securities. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser, and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

In an offering of convertible securities, such as the Subscription Receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible security is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the convertible security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

In addition, under the Subscription Receipt Agreement, original purchasers of Subscription Receipts pursuant to the Offering will have a contractual right of rescission following the issuance of Common Shares to such purchaser pursuant to the terms of the Subscription Receipts to receive the amount paid for the Subscription Receipts, if this Prospectus Supplement, the Prospectus (including documents incorporated therein by reference) or any amendment thereto contains a misrepresentation (as defined in the *Securities Act* (Alberta)) or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of the Closing Date. This contractual right of rescission will be consistent with the statutory right of rescission described above and is in addition to any other right or remedy available to original purchasers under the securities legislation of certain provinces of Canada or otherwise at law. See "*Details of the Offering*".



**CERTIFICATE OF THE UNDERWRITERS**

Dated: February 21, 2025

To the best of our knowledge, information and belief, this Prospectus Supplement, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus Supplement as required by the securities legislation of each of the provinces and territories of Canada.

**ATB SECURITIES INC.   NATIONAL BANK FINANCIAL INC.   RBC DOMINION SECURITIES INC.**

*(signed) "Patrick Stables"*  
Managing Director

*(signed) "Arun Chandrasekaran"*  
Managing Director & Head of Energy  
Investment Banking

*(signed) "Jeffrey Cormack"*  
Managing Director

**CANACCORD GENUITY CORP.**

*(signed) "Anthony Petrucci"*  
Managing Director

**STIFEL NICOLAUS CANADA INC.**

*(signed) "Brandon Roopnarinesingh"*  
Director, Investment Banking

**ACUMEN CAPITAL FINANCE PARTNERS  
LIMITED**

*(signed) "Jeff Skrundz"*  
Vice President, Investment Banking

**APPENDIX "A"**

**ACQUIRED ASSETS OPERATING STATEMENT**

Attached.

Operating Statements for the

## **PEMBINA ASSETS**

And Independent Auditor's Report there on

Years ended December 31, 2023 and 2022 (audited) and for the nine months periods ended September 30, 2024 and 2023 (unaudited)



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Obsidian Energy Ltd.

### ***Opinion***

We have audited the operating statement of the Pembina Assets (the Property), which contain the production revenues, royalties, sales of commodities purchased from third parties, processing fees, other income, operating expenses, transportation expenses and commodities purchased from third parties for the years ended December 31, 2023 and 2022 and notes to the operating statement, including a summary of material accounting policy information (hereinafter referred to as the "operating statement").

In our opinion, the accompanying operating statement of the Property for the years ended December 31, 2023 and 2022 is prepared, in all material respects, in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards for operating statements of an acquired oil and gas property.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Operating Statement*" section of our auditor's report.

We are independent of Obsidian Energy Ltd. in accordance with the ethical requirements that are relevant to our audit of the operating statement in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### ***Responsibilities of Management and Those Charged with Governance for the Operating Statement***

Management of Obsidian Energy Ltd. is responsible for the preparation of the operating statement in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107, Acceptable Accounting Principles and Auditing Standards for operating statements of an acquired oil and gas property, and for such internal control as management determines is necessary to enable the preparation of an operating statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance of Obsidian Energy Ltd. are responsible for overseeing Obsidian Energy Ltd.'s financial reporting process of the operating statement of the Property.

### ***Auditor's Responsibilities for the Audit of the Operating Statement***

Our objectives are to obtain reasonable assurance about whether the operating statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the operating statement.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the operating statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Obsidian Energy Ltd.'s internal control relevant to the Property.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Calgary, Canada  
February 13, 2025

**Pembina Assets**  
**Operating Statements**

(CAD millions)	Note	Nine months ended September 30		Year ended December 31	
		<b>2024</b> <b>(unaudited)</b>	2023 (unaudited)	<b>2023</b>	2022
Production revenues	2a,3	\$ <b>180.7</b>	\$ 189.3	\$ <b>248.1</b>	324.2
Royalties	2c	<b>(25.6)</b>	(29.7)	<b>(40.2)</b>	(55.2)
		<b>155.1</b>	159.6	<b>207.9</b>	269.0
Sales of commodities purchased from third parties	2a	<b>3.5</b>	4.6	<b>5.3</b>	4.7
Processing fees		<b>1.1</b>	1.1	<b>1.4</b>	1.3
Other income		<b>1.2</b>	1.2	<b>1.6</b>	1.3
		<b>160.9</b>	166.5	<b>216.2</b>	276.3
<b>Expenses</b>					
Operating	2d	<b>60.4</b>	60.0	<b>79.4</b>	78.4
Transportation	2e	<b>9.0</b>	7.5	<b>9.9</b>	9.5
Commodities purchased from third parties	2a	<b>3.0</b>	4.9	<b>5.5</b>	3.8
		<b>72.4</b>	72.4	<b>94.8</b>	91.7
<b>Operating income</b>		<b>\$ 88.5</b>	\$ 94.1	<b>\$ 121.4</b>	184.6

See accompanying notes to the financial information.

**Notes to the Financial Information**  
(all tabular amounts are in CAD millions)

**1. Basis of Presentation**

The operating statement containing production revenues, sales of commodities purchased from third parties, processing fees, other income, royalties, operating expenses, transportation expenses and commodities purchased from third parties (the "Operating Statements") include the operating results relating to the Pembina Assets (the "Assets") of Obsidian Energy Ltd. (the "Company").

The line items in the Operating Statements have been prepared in all material respects using accounting policies that are permitted under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and applicable to publicly accountable enterprises, with such accounting policies applying to those line items as if such line items were presented as part of a complete set of financial statements. The Operating Statements have been prepared in accordance with the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for operating statements of an acquired oil and gas property.

The Operating Statements containing production revenues, sales of commodities purchased from third parties, processing fees, other income, royalties, operating expenses, transportation expenses and commodities purchased from third parties, do not include any provision for depletion and depreciation, accretion of decommissioning obligations, future capital costs, impairment of oil and gas properties, general and administrative expenses or income taxes related to the Assets.

**2. Material Accounting Policies**

**a) Revenue Recognition**

The Company generally recognizes oil, natural gas and natural gas liquids ("NGLs") revenue when title passes from the Company to the purchaser or, in the case of services, as contracted services are performed. Production revenues are determined pursuant to the terms outlined in contractual agreements and are based on fixed or variable price components. The transaction price for oil, natural gas and NGLs is based on the commodity price in the month of production, adjusted for various factors including product quality and location. Commodity prices are based on monthly or daily market indices and do not include gains or losses from financial derivative contracts.

Performance obligations in the contract are fulfilled on the last day of the month with payment typically on the 25<sup>th</sup> day of the following month.

The Company may purchase commodity products from third parties to utilize in blending activities and then subsequently sell these products to purchasers. These transactions are presented as separate revenue and expense items in the Operating Statements.

The Company enters into agreements for other services such as processing third party production, road usage, and other miscellaneous services. Revenue from these arrangements are recorded as processing fees or other income when control passes to the customer, which is generally when the service is provided.

**b) Joint Operations**

The Operating Statements include the Company's proportionate interest of the revenue, royalties and operating expenses related to the Assets.

**c) Royalties**

The Company records royalties at the time the product is produced and sold. Royalties are calculated in accordance with the applicable provincial regulations and/or terms of individual royalty agreements.



#### d) Operating Expenses

Operating expenses include amounts incurred to produce volumes, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses also include field labour, repair and maintenance activities, utilities, property taxes, insurance, supplies and allocated overhead on certain wells in accordance with the joint operating agreement.

#### e) Transportation Expenses

Transportation costs are paid by the Company for the shipping of oil, natural gas and NGLs from the wellhead to the point where title transfers to purchasers. These costs are recognized as services are received.

#### f) Operating Income

Operating income does not have a standardize meaning prescribed by IFRS. For purposes of these Operating Statements, operating income is calculated as production revenues, sales of commodities purchased from third parties, processing fees and other income less, royalties, operating expenses, transportation expenses and commodities purchased from third parties.

### 3. Production Revenues

	Nine months ended September 30		Year ended December 31	
	<b>2024</b>	2023	<b>2023</b>	2022
	<b>(unaudited)</b>	(unaudited)		
Oil	\$ 158.7	\$ 157.8	\$ 206.6	\$ 258.0
NGLs	12.7	12.8	17.4	22.7
Natural gas	9.3	18.7	24.1	43.5
<b>Production revenues</b>	<b>\$ 180.7</b>	<b>\$ 189.3</b>	<b>\$ 248.1</b>	<b>\$ 324.2</b>

**APPENDIX "B"**

**PRO FORMA FINANCIAL STATEMENTS**

Attached

## APPENDIX "B" – PRO FORMA FINANCIAL STATEMENTS

### Pro Forma Operating Statement for the Nine Months Ended September 30, 2024 (Unaudited)

<i>(CAD millions)</i>	Notes	InPlay Oil Corp. 2024	WGC Unit Interest 2024	Acquired Assets 2024	Pro Forma 2024
<b>Revenues</b>					
Oil and natural gas sales	2a, 3	113.7	(3.1)	180.7	291.3
Royalties	2c	(14.7)	0.4	(25.6)	(39.9)
		99.0	(2.7)	155.1	251.4
<b>Other income</b>					
Sales of commodities purchased from third parties		-	-	3.5	3.5
Processing fees		-	-	1.1	1.1
Other income		-	-	1.2	1.2
		-	-	5.8	5.8
<b>Expenses</b>					
Operating	2d	35.8	(0.7)	60.4	95.5
Transportation	2e	2.3	-	9.0	11.3
Commodities purchased from third parties		-	-	3.0	3.0
		38.1	(0.7)	72.4	109.8
<b>Operating income</b>		<b>60.9</b>	<b>(2.0)</b>	<b>88.5</b>	<b>147.4</b>

*See accompanying notes to the financial information.*

**Pro Forma Operating Statement for the Year Ended December 31, 2023 (Unaudited)**

<i>(CAD millions)</i>	<b>Notes</b>	<b>InPlay Oil Corp. 2023</b>	<b>WGC Unit Interest 2023</b>	<b>Acquired Assets 2023</b>	<b>Pro Forma 2023</b>
<b>Revenues</b>					
Oil and natural gas sales	2a, 3	179.4	(2.1)	248.1	425.4
Royalties	2c	(22.5)	0.3	(40.2)	(62.4)
		156.9	(1.8)	207.9	363.0
<b>Other income</b>					
Sales of commodities purchased from third parties		-	-	5.3	5.3
Processing fees		-	-	1.4	1.4
Other income		-	-	1.6	1.6
		-	-	8.3	8.3
<b>Expenses</b>					
Operating	2d	49.6	(0.6)	79.4	128.4
Transportation	2e	3.1	-	9.9	13.0
Commodities purchased from third parties		-	-	5.5	5.5
		52.7	(0.6)	94.8	146.9
<b>Operating income</b>		<b>104.2</b>	<b>(1.2)</b>	<b>121.4</b>	<b>224.4</b>

*See accompanying notes to the financial information.*

## **Notes to the Pro Forma Operating Statements**

### **Nine Months Ended September 30, 2024 and Year Ended December 31, 2023**

*(amounts in millions of Canadian dollars, unless otherwise stated)  
(unaudited)*

#### **1. Basis of Presentation**

The accompanying unaudited pro forma operating statements (the "pro forma statements") of InPlay Oil Corp. (the "Company" or "InPlay") for the nine months ended September 30, 2024 and year ended December 31, 2023 have been prepared by management of the Company for illustrative purposes only and give effect to the Company's proposed acquisition (the "Acquisition") of certain petroleum and natural gas properties in Pembina (the "Pembina Assets" or the "Acquired Assets") and transfer of InPlay's entire working interest in Willesden Green Cardium Unit 2 (the "WGC Unit Interest"). The pro forma statements containing schedules of oil and natural gas sales, sales of commodities purchased from third parties, processing fees, other income, royalties, operating expenses, transportation expenses and commodities purchased from third parties, give effect to the acquisition of the Pembina Assets.

The pro forma statements have been prepared from information derived from, and should be read in conjunction with:

- the unaudited interim financial statements of the Company as at and for the three and nine months ended September 30, 2024;
- the audited financial statements of the Company as at and for the year ended December 31, 2023;
- the unaudited interim operating statement for the Pembina Assets for the nine months ended September 30, 2024; and
- the audited operating statement for the Pembina Assets for the year ended December 31, 2023.

The pro forma statements give effect to the Acquisition as if the Acquisition had occurred on January 1, 2023.

The line items of the pro forma statements are prepared in accordance with accounting policies that are permitted under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the financial reporting framework specified in subsection 3.11(5) of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards for operating statements of an acquired oil and gas property.

The pro forma statements may not be indicative of the results that would have occurred if the events reflected therein had been in effect on the date indicated or of the results which may be obtained in the future. The actual results of operations of the Company for any period following the closing of the Acquisition will vary from the amounts set forth in the pro forma financial statements and such variation may be material.

The pro forma statements do not include any provision for depletion, depreciation and amortization, future capital costs, impairment of oil and gas properties, general and administrative expenses, share-based compensation, accretion of decommissioning obligations, interest and other financing expense, or income taxes, joint operations, revenue recognition, royalties, transportation expenses, operating expenses or use of estimates. These pro forma financial statements have been prepared by management in accordance with the principles of IFRS issues and outstanding as of •, 202, the date these pro forma statements were compiled. However, these operating statements are not in compliance with IFRS as certain notes and information have been omitted or condensed for the purpose of the pro forma statements. In the opinion of management, the unaudited pro forma statements include all the necessary adjustments for the fair presentation of the ongoing entity.

#### **2. Material Accounting Policies**

#### **a) Revenue Recognition**

Revenue from the sale of oil, natural gas and NGLs is recognized when control of the product is transferred, which is, generally, when title passes to the customer in accordance with the terms of the sales contract. These sales contracts represent a series of distinct transactions. The Company considers its performance obligations under these contracts to be satisfied and control to be transferred when all the following conditions are satisfied:

- InPlay has transferred title and physical possession of the commodity to the buyer;
- InPlay has transferred the significant risks and rewards of ownership of the commodity to the buyer; and
- InPlay has the present right to payment.

Revenue is measured based on the consideration specified in the contract with the customer. Payment terms for InPlay's sales contracts are on the 25th of the month following delivery. InPlay does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a result, the Company does not adjust its revenue transactions for the time value of money.

The Company sells its production of crude oil, natural gas and NGLs pursuant to variable price contracts. The transaction price for variable price contracts is based on the commodity price, adjusted for quality, location and other factors. The amount of revenue recognized is based on the agreed transaction price with any variability in transaction price recognized in the same period. Fees associated with marketing, transportation and other items are based on fixed price contracts.

Revenue from the production of oil, natural gas and NGLs from properties in which InPlay has an ownership interest with other producers is recognized on a net working interest basis.

The Company applies a practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have an original expected duration of one year or less and it does not have any long-term contracts with unfulfilled performance obligations. In addition, the Company also applies a practical expedient of IFRS 15 that allows any incremental costs of obtaining contracts with customers to be recognized as an expense when incurred rather than being capitalized where the expected amortization period is one year or less.

The Company may purchase commodity products from third parties to utilize in blending activities and then subsequently sell these products to purchasers. These transactions are presented as separate revenue and expense items in the pro forma statements.

The Company enters into agreements for other services such as processing third party production, road usage, and other miscellaneous services. Revenue from these arrangements are recorded as processing fees or other income when control passes to the customer, which is generally when the service is provided.

#### **b) Joint Operations**

Many of the Company's petroleum and natural gas operations are conducted under joint operating agreements whereby two or more parties jointly control the assets. These joint arrangements are classified as joint operations, and the pro forma statements include the Company's ownership-interest share of the revenue and expenses of these joint operations.

#### **c) Royalties**

The Company records royalties at the time the product is produced and sold. Royalties are calculated in accordance with the applicable provincial regulations and/or terms of individual royalty agreements.

#### d) Operating Expenses

Operating expenses include amounts incurred to produce volumes, field storage, operating and maintaining wells and related equipment and facilities. Operating expenses also include field labour, repair and maintenance activities, utilities, property taxes, insurance, supplies and allocated overhead on certain wells in accordance with the joint operating agreement.

#### e) Transportation Expenses

Transportation costs are paid by the Company for the shipping of oil, natural gas and NGLs from the wellhead to the point where title transfers to purchasers. These costs are recognized as services are received.

#### f) Operating Income

Operating income does not have a standardize meaning prescribed by IFRS. For purposes of these pro forma statements, operating income is calculated as oil and natural gas sales, sales of commodities purchased from third parties, processing fees and other income less, royalties, operating expenses, transportation expenses and commodities purchased from third parties.

### 3. Oil and natural gas sales

#### Nine Months Ended September 30, 2024

	InPlay Oil Corp. 2024	WGC Unit Interest 2024	Acquired Assets 2024	Pro Forma 2024
<i>(CAD millions)</i>				
Crude oil	91.2	(2.9)	158.7	247.0
Natural gas	9.5	(0.1)	12.7	22.1
NGLs	13.0	(0.1)	9.3	22.2
<b>Total oil and natural gas sales</b>	<b>113.7</b>	<b>(3.1)</b>	<b>180.7</b>	<b>291.3</b>

#### Year Ended December 31, 2023

	InPlay Oil Corp. 2023	WGC Unit Interest 2023	Acquired Assets 2023	Pro Forma 2023
<i>(CAD millions)</i>				
Crude oil	137.1	(1.9)	206.6	341.8
Natural gas	23.7	(0.1)	17.4	41.0
NGLs	18.6	(0.1)	24.1	42.6
<b>Total oil and natural gas sales</b>	<b>179.4</b>	<b>(2.1)</b>	<b>248.1</b>	<b>425.4</b>

## BASE SHELF PROSPECTUS

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any state securities laws and subject to certain exceptions, may not be offered or sold in the United States of America or to U.S. persons. See "Plan of Distribution".*

*This short form prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.*

*This short form prospectus may qualify an "at-the-market distribution" as defined in National Instrument 44-102 - Shelf Distributions ("NI 44-102").*

*Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of InPlay Oil Corp. at 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3N9, phone number (587) 955-9570, and are also available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).*

New Issue

December 4, 2024

### SHORT FORM BASE SHELF PROSPECTUS



**INPLAY OIL CORP.**

**\$200 million**

**Common Shares  
Preferred Shares  
Subscription Receipts  
Warrants  
Debt Securities  
Units**

InPlay Oil Corp. ("InPlay", the "Corporation", "we", "us" or "our") may from time to time offer and sell common shares in the capital of the Corporation ("Common Shares"), preferred shares in series in the capital of the Corporation (the "Preferred Shares"), subscription receipts of the Corporation ("Subscription Receipts"), warrants of the Corporation ("Warrants"), debentures, notes or other evidence of indebtedness of any kind, nature or description (collectively, "Debt Securities"), and units ("Units") comprised of one or more of the other securities described in this short form base shelf prospectus (the "Prospectus") (collectively, the "Securities") at an aggregate amount of up to C\$200 million (or the equivalent thereof in other currencies based on the applicable exchange rate at the time of the offering thereof) during the 25-month period that this Prospectus, including any amendments hereto, remains in effect.

The distribution of Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at non-fixed prices, such as market prices prevailing at the time of sale or prices related to such prevailing market prices to be negotiated with purchasers, including sales in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 *Shelf Distributions* ("NI 44-102") including sales made directly on the Toronto Stock Exchange (the "TSX") and as set forth in one or more supplements to this



Prospectus (each, a "**Prospectus Supplement**"). This Prospectus may qualify an "at-the-market distribution", as defined under NI 44-102 (an "**ATM Distribution**").

The specific terms of an offering of Securities will be set forth in one or more Prospectus Supplements including, as applicable: (i) in the case of Common Shares, the number of Common Shares offered and the offering price; (ii) in the case of Preferred Shares, the designation of the particular series, the number of Preferred Shares offered, the offering price or the manner of determining the offering price, any voting rights, dividend or other privileges, if any, the terms for redemption at the option of the Corporation or the holder, if applicable, any exchange or conversion terms and any other specific terms; (iii) in the case of Subscription Receipts, the number of Subscription Receipts offered, the issue price, the terms, conditions and procedures for the conversion or exchange of the Subscription Receipts and any other specific terms; (iv) in the case of Warrants, the designation, number and terms of the Common Shares, Preferred Shares or other securities purchasable upon exercise of the Warrants, the exercise price, dates and periods of exercise, adjustment procedures and any other specific terms; (v) in the case of Debt Securities, the designation, aggregate principal amount and authorized denominations of the Debt Securities, any limit on the aggregate principal amount of the Debt Securities, the currency (which may be Canadian dollars or any other currency), the issue price (at par, at a discount or at a premium), the issue and delivery date, the maturity date (including any provisions for the extension of a maturity date), the interest rate (either fixed or floating and, if floating, the method of determination thereof), the interest payment date(s), the provisions (if any) for subordination of the Debt Securities to other indebtedness, any redemption or purchase provisions, any repayment provisions, any terms entitling the holder to exchange or convert the Debt Securities into other securities, any defeasance provisions, security (if any) applicable to such Debt Securities and any other specific terms; and (vi) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units, the offering price and any other specific terms. We reserve the right to include in a Prospectus Supplement specific terms pertaining to the Securities that are not within the options and parameters set forth in this Prospectus, provided that any Debt Securities will not be specified derivatives or asset-backed securities. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to such Securities will be included in the Prospectus Supplement describing such Securities.

All information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers of the applicable Securities together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

InPlay may offer and sell the Securities to or through underwriters or dealers purchasing as principal, and may also offer and sell the Securities to purchasers directly pursuant to applicable registration exemptions or through registered dealers acting as agents of InPlay, such underwriters, dealers or agents are collectively referred to in this Prospectus as "**Investment Dealers**". The Prospectus Supplement relating to each offering of Securities will identify each Investment Dealer and will also set forth the terms of the offering, including the type of Security being offered, the public offering price (or the manner of determination thereof if offered on a non-fixed price basis), the net proceeds to InPlay and any compensation payable to the Investment Dealer.

In connection with any offering of Securities, the Investment Dealers may over allot or effect transactions which stabilize or maintain the market price of the Securities at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

**You should read this Prospectus and any Prospectus Supplement before you invest in any Securities. No Investment Dealer has been involved in the preparation of, or has performed a review of, the contents of this Prospectus.**

Our issued and outstanding Common Shares are listed for trading on the TSX under the trading symbol "IPO". Any offering of Securities other than Common Shares will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Securities to be offered thereunder will not be listed on any securities exchange.

**Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Securities other than Common Shares may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus or any applicable Prospectus Supplement. This may affect the pricing of these Securities in the secondary market (if any), the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See "Risk Factors".**

**Cash dividends to holders of Common Shares (the "Shareholders") or Preferred Shares, if any, are not guaranteed.** A return on an investment in the Corporation is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment in the Corporation is at risk, and the anticipated return on such investment is based on many performance assumptions. Although the Corporation anticipates that it will continue to declare and pay dividends to Shareholders, these cash dividends may be reduced or suspended. The declaration and payment of any dividend by InPlay is at the discretion of the board of directors of InPlay ("**Board**") and will depend on numerous factors, including compliance with applicable laws and the financial performance, debt obligations, working capital requirements and future capital expenditure requirements of the Corporation. In addition, the market value of the Common Shares may decline if the dividend be reduced or suspended in the future, and that decline may be significant.

**Investment in the Securities is subject to certain risks that should be considered carefully by prospective purchasers. See "Risk Factors" in this Prospectus and "Risk Factors" in the AIF (as defined herein) incorporated by reference herein.**

The head office of InPlay is located at 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3N9 and its registered office is located at 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1.

*Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.*

*All dollar amounts set forth in this Prospectus are in Canadian dollars, unless otherwise indicated.*

## TABLE OF CONTENTS

DEFINITIONS AND OTHER MATTERS .....	1
FORWARD-LOOKING INFORMATION .....	1
NON-GAAP AND OTHER FINANCIAL MEASURES .....	3
CONVENTIONS .....	3
BARREL OF OIL EQUIVALENCY .....	3
MARKETING MATERIALS .....	3
THIRD PARTY INFORMATION .....	3
DOCUMENTS INCORPORATED BY REFERENCE .....	4
SUMMARY DESCRIPTION OF THE BUSINESS .....	5
CONSOLIDATED CAPITALIZATION .....	5
USE OF PROCEEDS .....	5
EARNINGS COVERAGE .....	6
DESCRIPTION OF COMMON SHARES .....	6
DESCRIPTION OF PREFERRED SHARES .....	6
DESCRIPTION OF SUBSCRIPTION RECEIPTS .....	6
DESCRIPTION OF WARRANTS .....	7
DESCRIPTION OF DEBT SECURITIES .....	8
DESCRIPTION OF UNITS .....	10
BOOK-ENTRY ONLY SYSTEM .....	10
PRIOR SALES .....	12
PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES .....	12
PLAN OF DISTRIBUTION .....	12
SELLING SECURITYHOLDERS .....	13
RISK FACTORS .....	14
CERTAIN INCOME TAX CONSIDERATIONS .....	14
EXEMPTIONS .....	14
LEGAL MATTERS .....	14
AUDITORS .....	15
PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS .....	15
CERTIFICATE OF INPLAY .....	16

## DEFINITIONS AND OTHER MATTERS

In this Prospectus and any Prospectus Supplement, unless otherwise indicated, references to "we", "us", "our", "InPlay" or the "Corporation" are to InPlay Oil Corp. All references to "dollars", "Cdn.\$" or "\$" are to Canadian dollars and all references to "U.S.\$" are to United States dollars. Unless otherwise indicated, all financial information included and incorporated by reference into this Prospectus and any Prospectus Supplement is determined using International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**").

## FORWARD-LOOKING INFORMATION

Certain statements contained in this Prospectus, and in certain documents incorporated by reference into this Prospectus, constitute forward-looking statements. All forward-looking statements are based on the Corporation's beliefs and assumptions based on information available at the time such assumptions were made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Prospectus should not be unduly relied upon.

The reports of PricewaterhouseCoopers LLP incorporated by reference in this Prospectus refer exclusively to the historical financial statements described therein and do not extend to the prospective financial information included in this Prospectus and should not be read to do so.

In particular, this Prospectus and the documents incorporated by reference herein contain forward-looking statements pertaining to, but not limited to, the following:

- the Corporation's dividend policy, including the timing and amounts of payments anticipated thereunder and the tax treatment thereof;
- development and drilling plans of the Corporation;
- anticipated operational results, targets and guidance for 2024 and beyond and assumptions related thereto;
- the performance characteristics of the oil and natural gas properties of the Corporation;
- the estimated quantity of the Corporation's oil and natural gas reserves and anticipated future cash flows from such reserves;
- the source of funding for the Corporation's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates;
- possible changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes; and
- InPlay's business and acquisition strategy and the benefits to be derived therefrom.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the material risk factors set forth below, elsewhere in this Prospectus and in the documents incorporated by reference herein:

- volatility in market prices for oil and natural gas;
- operational risks and liabilities inherent in oil and natural gas operations;

- uncertainties associated with estimating oil and natural gas reserves;
- the imposition of taxes, duties, tariffs, or other trade barriers;
- changes in royalty regimes;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of benefits to be obtained from possible acquisitions and exploration and development programs;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- adverse effects on general economic conditions in Canada, the United States and globally, including due to pandemics, Russia/Ukraine conflict, war in the Middle East and, from time to time, wildfires in the areas in which the Corporation has operations;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of InPlay's exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- ability to obtain regulatory approvals;
- the results of litigation or regulatory proceedings that may be brought against the Corporation;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- the other factors discussed under "*Risk Factors*" herein and in the AIF, Annual MD&A and Interim MD&A.

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

With respect to forward-looking statements contained in this Prospectus, the Corporation has made assumptions regarding, among other things: that commodity prices will be consistent with the current forecasts of its engineers; average production rates; costs to drill, complete and tie-in wells; ultimate recovery of reserves; royalty regimes will not be subject to material modification; that the Corporation will be able to obtain skilled labour and other industry services at reasonable rates; that the timing and amount of capital expenditures and the benefits therefrom will be consistent with the Corporation's expectations; the impact of increasing competition; that the conditions in general economic and financial markets will not vary materially; that the Corporation will be able to access capital, including debt, on acceptable terms; that drilling, completion and other equipment will be available on acceptable terms; that government regulations and laws will not change materially; that royalty rates will not change in any material respect; and that future operating costs will be consistent with the Corporation's expectations.

The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this Prospectus in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. Forward-looking statements contained in certain documents incorporated by reference into this Prospectus are based on the key assumptions and are subject to the risks described herein and in the documents incorporated by reference herein. The reader is cautioned that such assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect.

**Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this Prospectus, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. These forward-looking statements contained in this Prospectus are made as of the date of this Prospectus, or in the case of the documents incorporated by reference herein, as of the dates of such documents, and except as required by applicable securities laws, InPlay does not undertake any obligation to publicly update or revise any forward-looking statements. Readers should also carefully consider the matters discussed under the heading "*Risk Factors*" in this Prospectus.**

**Readers should not construe the contents of this Prospectus as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.**

## **NON-GAAP AND OTHER FINANCIAL MEASURES**

Certain documents incorporated by reference herein make reference to certain specified financial measures that are not recognized by IFRS Accounting Standards and are used to assist in assessing the Corporation's financial performance. These specified financial measures do not have standard meanings prescribed by IFRS Accounting Standards and therefore may not be comparable to similar measures presented by other issuers. For information regarding the non-GAAP and other financial measures disclosure used by InPlay, see "*Non-GAAP and Other Financial Measures*" in each of InPlay's Annual MD&A and Interim MD&A (each as defined below) which are incorporated by reference herein.

## **CONVENTIONS**

Certain terms incorporated by reference herein but not defined herein are defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

## **BARREL OF OIL EQUIVALENCY**

To provide a single unit of production for analytical purposes, natural gas production and reserves volumes are converted mathematically to equivalent barrels of oil ("**BOE**"). InPlay uses the industry-accepted standard conversion of six thousand cubic feet of natural gas to one barrel of oil (6 Mcf = 1 bbl). The 6:1 BOE ratio is based on an energy equivalency conversion method primarily applicable at the burner tip. It does not represent a value equivalency at the wellhead and is not based on either energy content or current prices. While the BOE ratio is useful for comparative measures and observing trends, it does not accurately reflect individual product values and might be misleading, particularly if used in isolation. As well, given that the value ratio based on the current price of crude oil to natural gas is significantly different from the 6:1 energy equivalency ratio, using a conversion ratio on a 6:1 basis may be misleading as an indication of value.

## **MARKETING MATERIALS**

Any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are utilized in connection with an offering of Securities are not part of this Prospectus or any Prospectus Supplement to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus or any Prospectus Supplement. Any template version of any marketing materials that has been, or will be, filed on the System for Electronic Document Analysis and Retrieval + ("**SEDAR+**") before the termination of the distribution under any offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into the Prospectus.

## **THIRD PARTY INFORMATION**

This Prospectus may include, or incorporate by reference, market, industry and economic data which was obtained from various publicly available sources and other sources believed by the Corporation to be true. Although the Corporation believes it to be reliable, the Corporation has not independently verified any of the data from third party sources referred to in this Prospectus, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. The Corporation believes that its market, industry and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Prospectus are not guaranteed and the Corporation makes no representation as to the accuracy of such information.

## DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated by reference herein may be obtained on request without charge from the Chief Financial Officer of InPlay Oil Corp., at 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3N9, phone number (587) 955-9570 and are also available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The following documents of InPlay have been filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada and are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the audited financial statements of InPlay as at and for the years ended December 31, 2023 and 2022, together with the notes thereto and the report of the auditors thereon (collectively, the "**Annual Financial Statements**");
- (b) the management's discussion and analysis of InPlay as at and for the years ended December 31, 2023 and 2022 (the "**Annual MD&A**");
- (c) the annual information form of InPlay dated March 27, 2024 for the year ended December 31, 2023 (the "**AIF**");
- (d) the management information circular of InPlay dated May 3, 2024 relating to the annual general meeting of Shareholders held on June 4, 2024;
- (e) the unaudited interim financial statements of InPlay as at September 30, 2024 and for the three and nine month periods then ended, together with the notes thereto (the "**Interim Financial Statements**"); and
- (f) the management's discussion and analysis of InPlay for the three and nine months ended September 30, 2024 and 2023 (the "**Interim MD&A**").

Any documents of the type referred to in the preceding paragraph, or required to be incorporated by reference herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions*, including annual information forms, information circulars, annual and interim financial statements and related management's discussion and analysis, material change reports (excluding confidential reports, if any), business acquisition reports, as well as all Prospectus Supplements disclosing additional or updated information, filed by InPlay with the applicable securities regulatory authorities subsequent to the date of this Prospectus and prior to 25 months from the date hereof shall be deemed to be incorporated by reference in this Prospectus.

**Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. Any statement so modified or superseded shall not be deemed to constitute a part of this Prospectus, except as so modified or superseded.**

Upon a new annual information form and related audited annual financial statements being filed by InPlay with the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous audited annual financial statements and all unaudited interim financial statements and the accompanying management's discussion and analysis filed prior to the commencement of InPlay's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Upon unaudited interim financial statements and the accompanying management's discussion and analysis being filed by InPlay with the applicable securities regulatory authorities during the currency of this Prospectus, all unaudited interim financial statements and the accompanying management's discussion and analysis filed prior to the new unaudited interim financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

Upon a new management information circular relating to an annual meeting of Shareholders being filed by us with the applicable securities regulatory authorities during the currency of this Prospectus, the management information circular for the preceding annual meeting of Shareholders shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. However, if the management information circular for the preceding annual meeting contains disclosure regarding special business which differs from the matters voted on, or to be voted on, at a new annual meeting for which the new management information circular is filed by us, the management information circular for the preceding annual meeting of Shareholders shall continue to be incorporated into this Prospectus.

### **SUMMARY DESCRIPTION OF THE BUSINESS**

InPlay has been engaged in the business of exploring for, developing and producing oil and natural gas, and acquiring oil and natural gas properties in western Canada since it commenced operations in June 2013. Since commencing operations, InPlay has concentrated on exploration and development drilling of prospects in the province of Alberta. InPlay's operations are currently directed principally towards light oil prospects in its Pembina and Rocky Mountain House areas and its emerging East Basin Duvernay light oil play. See "*Corporate Structure*", "*Description and General Development of the Business*" and "*Statement of Reserves Data and Other Oil and Gas Information*" in the AIF incorporated by reference herein. Readers are encouraged to review this information as it contains important information about InPlay.

InPlay's head office is located at Suite 2000, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3N9 and InPlay's registered office is located at Suite 2400, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1G1.

### **CONSOLIDATED CAPITALIZATION**

There have not been any material changes in the share and loan capital of the Corporation, on a consolidated basis, since September 30, 2024. See also "*Prior Sales*".

For a detailed description of the Corporation's credit facilities, see note 9 in the Interim Financial Statements and the section "*Liquidity and Capital Resources*" in the Interim MD&A incorporated by reference herein. A complete copy of the credit agreement related to the Corporation's credit facilities is available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **USE OF PROCEEDS**

The net proceeds to be derived from the sale of Securities will be the issue price thereof less any commissions paid and expenses incurred in connection therewith. The specific principal purposes for which the net proceeds will be used and the amount of net proceeds to be used for any such purpose will be provided in a Prospectus Supplement or pricing supplement relating to a specific offering of Securities. Unless otherwise indicated in a Prospectus Supplement or pricing supplement, the net proceeds from the sale of the Securities will be used for general corporate purposes, to repay indebtedness, to finance, in whole or in part, the purchase price of acquisitions or other strategic transactions that InPlay may, from time to time, be successful in pursuing and for working capital requirements. InPlay may invest funds that it does not immediately require in short-term marketable securities. InPlay may from time to time, issue securities other than pursuant to this Prospectus.



## **EARNINGS COVERAGE**

If we offer Debt Securities having a term to maturity in excess of one year under this Prospectus and any applicable Prospectus Supplement, the applicable Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such securities.

## **DESCRIPTION OF COMMON SHARES**

See "*Description of Capital Structure – Share Capital – Common Shares*" in the AIF for a description of the Common Shares.

## **DESCRIPTION OF PREFERRED SHARES**

See "*Description of Capital Structure – Share Capital – Preferred Shares*" in the AIF for a description of the Preferred Shares.

The Preferred Shares are issuable in one or more series and the Board may fix their issue, the number of shares of each series and the designation, rights, privileges, restrictions and conditions attached to each series of Preferred Shares.

The following sets forth certain general terms and provisions of the Preferred Shares. The particular terms and provisions of the Preferred Shares offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Preferred Shares, will be described in such Prospectus Supplement. Since any Preferred Shares issued pursuant to any applicable Prospectus Supplement may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus.

The specific terms of any offerings of Preferred Shares including the designation of the particular series, the number of Preferred Shares offered, the offering price, any voting rights, dividend or other privileges, if any, terms for redemption at the option of the Corporation or the holder, if applicable, any exchange or conversion terms, along with any other material terms or conditions will be described in one or more Prospectus Supplements.

For a complete description of the terms of any Preferred Shares, investors should refer to the share provisions and, if applicable, collateral arrangements and depository arrangements relating to such Preferred Shares.

## **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The following description of the terms of Subscription Receipts sets forth certain general terms and provisions of Subscription Receipts in respect of which a Prospectus Supplement may be filed.

A Subscription Receipt will entitle the holder thereof to receive a Common Share and/or other Securities, for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by the Corporation or one or more of its subsidiaries. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by an escrow agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction or event has occurred). Holders of Subscription Receipts will receive Common Shares and/or other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time, a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon. Holders of Subscription Receipts are not Shareholders. The particular terms and provisions of Subscription Receipts offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the applicable Prospectus Supplement filed in respect of such Subscription Receipts. The particular terms and provisions of Subscription Receipts described in any Prospectus Supplement will include, where applicable:

- the number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered;
- if other than Canadian dollars, the currency or currency unit in which the Subscription Receipts are denominated;
- the procedures for the conversion or exchange of the Subscription Receipts into Common Shares or other securities;
- the number of Common Shares or other securities that may be obtained upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- the terms applicable to the gross proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- the material tax consequences of owning the Subscription Receipts; and
- any other material terms, conditions and rights (or limitations on such rights) of the Subscription Receipts.

We reserve the right to set forth in a Prospectus Supplement specific terms of the Subscription Receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Subscription Receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Subscription Receipts.

Subscription Receipts may be offered separately or in combination with one or more other Securities. The Subscription Receipts will be issued under a subscription receipt agreement. A copy of the subscription receipt agreement will be filed by us with the applicable securities commission or similar regulatory authorities after it has been entered into by us and will be available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

## **DESCRIPTION OF WARRANTS**

The following description of the terms of Warrants sets forth certain general terms and provisions of Warrants in respect of which a Prospectus Supplement may be filed.

The particular terms and provisions of Warrants offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the applicable Prospectus Supplement filed in respect of such Warrants. The particular terms and provisions of Warrants described in any Prospectus Supplement will include, where applicable:

- the title or designation of the Warrants offered;
- the number of Warrants offered;
- the price at which the Warrants will be offered;
- the designation and terms of the Common Shares that may be acquired upon exercise of the Warrants;
- the number of Common Shares and/or other Securities of the Corporation purchasable upon exercise of the Warrants and the procedures for exercise;

- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable and when they expire;
- the designation and terms of any other securities with which the Warrants will be offered, if any, and the number of Warrants that will be offered with each such Security;
- the material income tax consequences of owning, holding and disposing of the Warrants; and
- any other material terms and conditions of the Warrants including, without limitation, transferability and adjustment terms and whether the Warrants will be listed on a stock exchange.

We reserve the right to set forth in a Prospectus Supplement specific terms of the Warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Warrants.

Warrants may be offered separately or in combination with one or more other Securities. Each series of Warrants will be issued under a separate warrant agreement to be entered into between us and one or more banks or trust companies acting as warrant agent (a "**Warrant Agent**"). The applicable Prospectus Supplement will include details of the warrant agreements covering the Warrants being offered. A copy of the warrant agreement will be filed by us with the applicable securities commission or similar regulatory authorities after it has been entered into by us and will be available electronically at [www.sedarplus.ca](http://www.sedarplus.ca).

## DESCRIPTION OF DEBT SECURITIES

The following description of the terms of Debt Securities sets forth certain general terms and provisions of Debt Securities in respect of which a Prospectus Supplement may be filed.

The Debt Securities may be issued from time to time in one or more series. We may specify a maximum aggregate principal amount for the Debt Securities of any series and, unless otherwise provided in the applicable Indenture, a series of Debt Securities may be reopened for issuance of additional Debt Securities of that series. We may, from time to time, issue Debt Securities and incur additional indebtedness other than through the issuance of Debt Securities pursuant to this Prospectus.

Debt Securities will be issued under one or more indentures (each, an "**Indenture**"), in each case between the Corporation and an appropriately qualified financial institution authorized to carry on business as a trustee (each, a "**Trustee**"). The following description is not, however, exhaustive and is subject to, and qualified in its entirety by reference to, the detailed provisions of the applicable Indenture. Accordingly, reference should also be made to the applicable Indenture, a copy of which will be filed by us with applicable provincial securities commissions or similar regulatory authorities in Canada after it has been entered into and before the issue of any Debt Securities thereunder, and will be available electronically on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Debt Securities will be direct unsecured obligations of the Corporation and will constitute senior or subordinated indebtedness of the Corporation as described in the applicable Prospectus Supplement. If the Debt Securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Corporation from time to time issued and outstanding which is not subordinated. If the Debt Securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Corporation as described in the applicable Prospectus Supplement and their ranking with respect to other subordinated indebtedness of the Corporation from time to time outstanding will be as described in the applicable Prospectus Supplement. We reserve the right to specify in a Prospectus Supplement whether a particular series of subordinated Debt Securities is subordinated to any other series of subordinated Debt Securities.

The particular terms and provisions of Debt Securities offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the applicable Prospectus Supplement filed in respect of such Debt Securities. Debt Securities may be offered separately or in combination with one or more other Securities. The particular terms and provisions of each issue of Debt Securities described in any Prospectus Supplement will include, where applicable:

- the designation, aggregate principal amount and authorized denominations of the Debt Securities;
- any limit upon the aggregate principal amount of the Debt Securities;
- the currency for which the Debt Securities may be purchased and in which the principal and any premium or interest is payable (in either case, if other than Canadian dollars);
- the offering price of the Debt Securities and percentage of the principal amount at which they will be issued;
- the date(s) on which the Debt Securities will be issued and delivered;
- the date(s) on which the Debt Securities will mature, including any provision for the extension of a maturity date, or the method of determining such date(s);
- the rate(s) per annum (either fixed or floating) at which the Debt Securities will bear interest (if any) and, if floating, the method of determining such rate(s);
- the date(s) from which any interest obligation will accrue and on which interest will be payable, and the record date(s) for the payment of interest or the method of determining such date(s);
- any guarantees given in respect of the Debt Securities;
- the ranking of the Debt Securities and if applicable, their subordination to other indebtedness of the Corporation;
- the identity of the Trustee under the applicable Indenture pursuant to which the Debt Securities are to be issued;
- any redemption terms, or terms under which the Debt Securities may be defeased prior to maturity;
- any repayment or sinking fund provisions;
- events of default and covenants in respect of the Debt Securities;
- whether the Debt Securities are to be issued in registered form or in the form of temporary or permanent global securities, and the basis of exchange, transfer and ownership thereof;
- whether the Debt Securities may be converted or exchanged for other securities of the Corporation or any other entity;
- if applicable, our ability to satisfy all or a portion of any redemption of the Debt Securities, payment of any premium or interest thereon, or repayment of the principal owing upon the maturity through the issuance of securities of the Corporation or of any other entity, and any restrictions on the persons to whom such securities may be issued;
- provisions governing amendments to the Indenture; and
- any other material terms, conditions or other provisions applicable to the Debt Securities, including, without limitation, transferability, adjustment terms and whether the Debt Securities will be listed on an exchange.

We reserve the right to include in a Prospectus Supplement specific terms and provisions pertaining to the Debt Securities in respect of which the Prospectus Supplement is filed that are not within the variables and parameters set forth in this Prospectus. To the extent that any terms or provisions or other information pertaining to the Debt Securities described in a Prospectus Supplement differ from any of the terms or provisions or other information described in this Prospectus, the description set forth in this Prospectus shall be deemed to have been superseded by the description set forth in the Prospectus Supplement with respect to those Debt Securities.

### DESCRIPTION OF UNITS

The following description of the terms of Units sets forth certain general terms and provisions of Units in respect of which a Prospectus Supplement may be filed.

We may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each included Security. The unit agreement, if any, under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the applicable Prospectus Supplement filed in respect of such Units. The particular terms and provisions of Units described in any Prospectus Supplement will include, where applicable:

- the designation and aggregate number of Units offered;
- the price at which the Units will be offered;
- if other than Canadian dollars, the currency or currency unit(s) in which the Units are denominated;
- the terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those securities may be held or transferred separately;
- the number of Securities that may be purchased upon exercise of each Unit and the price at which and currency or currency unit in which that amount of Securities may be purchased upon exercise of each Unit;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; and
- any other material terms, conditions and rights (or limitations on such rights) of the Units.

We reserve the right to set forth in a Prospectus Supplement specific terms and provisions of the Units that are not within the variables and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the Units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such Units.

### BOOK-ENTRY ONLY SYSTEM

Securities issued in "book-entry only" form must be purchased, transferred or redeemed through participants ("**CDS Participants**") in the depository service of CDS Clearing and Depository Services Inc. or a successor or its nominee (collectively, "**CDS**"). Each of the Investment Dealers named in an accompanying Prospectus Supplement offering Securities in "book-entry only" form will be a CDS Participant. On the closing of a book-entry only offering, InPlay will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from InPlay or CDS evidencing that purchaser's ownership thereof,

and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the Investment Dealer from which the Securities are purchased in accordance with the practices and procedures of that Investment Dealer. The practices of Investment Dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Securities. If: (i) the book-entry only system ceases to exist; (ii) InPlay determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and InPlay is unable to locate a qualified successor; or (iii) InPlay at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Securities from the book-entry only system, then physical certificates representing the Securities will be issued to holders thereof or their nominees.

### **Transfer, Conversion and Redemption of Securities**

Transfers of ownership, conversions or redemptions of Securities will be effected only through records maintained by CDS for such Securities with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders of Securities who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities, may do so only through CDS Participants. Depending on the jurisdiction in which the holder is located, the ability of a holder to pledge Securities or otherwise take action with respect to such holder's interest in Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

### **Payments and Deliveries**

InPlay will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on Securities to CDS as the registered holder of the Securities and InPlay understands that the payment will be forwarded by CDS to CDS Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered holder of the Securities, CDS will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. As long as the Securities are held in the CDS book-entry only system, the responsibility and liability of InPlay in respect of the Securities is limited to making payments of principal, redemption price, if any, dividends and interest, as applicable, on the Securities to CDS, as registered holder of the Securities. InPlay expects that CDS, upon receipt of any payment in respect of Securities, will credit CDS Participants' accounts in amounts proportionate to their respective interests in the principal amount of such Securities as shown on the records of CDS in accordance with the customary practices and procedures of CDS. InPlay also expects that payments by CDS Participants to the owners of beneficial interests in Securities held through such CDS Participants will be governed by standing instructions and customary practices, and will be the responsibility of such CDS Participants.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a CDS Participant, on the procedures of the CDS Participant through which such beneficial owner owns its interest, to exercise any rights with respect to the Securities. InPlay understands that under existing policies of CDS and industry practices, if InPlay requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the beneficial owner to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by InPlay, any Trustee and/or Warrant Agent and CDS. Any beneficial owner that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

None of InPlay, the Investment Dealers or any Trustee and/or Warrant Agent will assume liability or responsibility for: (i) any aspect of the records relating to the beneficial ownership of the Securities held by CDS or the payments or deliveries relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Securities; or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of CDS Participants.

### PRIOR SALES

Other than as described below, the Corporation did not issue any Common Shares or securities convertible into Common Shares issuable from treasury during the 12-month period prior to the date of this Prospectus.

The following table summarizes all issuances by InPlay of Common Shares or securities convertible into Common Shares issuable from treasury in the 12-month period prior to the date of this Prospectus:

<b>Date of Issuance</b>	<b>Type of Transaction</b>	<b>Number of Securities</b>	<b>Price Per Security</b>
November 27, 2023	Option Exercise	125,000	1.38
February 2, 2024	Option Exercise	10,900	1.21
February 5, 2024	Option Exercise	1,800	0.35
February 19, 2024	Option Exercise	27,000	1.02
February 22, 2024	Option Exercise	22,500	1.02

### PRICE RANGE AND VOLUME OF TRADING OF COMMON SHARES

The outstanding Common Shares trade on the TSX under the trading symbol "IPO". The following sets out the high and low trading prices and aggregate volume of trading for the periods noted below for the Common Shares:

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
	(\$)	(\$)	
<b>2024</b>			
January	2.38	2.14	2,462,932
February	2.38	2.03	1,748,958
March	2.43	2.28	1,574,721
April	2.57	2.37	2,079,850
May	2.41	2.25	1,976,377
June	2.32	2.12	1,590,582
July	2.3	2.14	1,083,580
August	2.29	2.1	1,108,431
September	2.18	1.92	1,588,140
October	2.17	1.87	2,315,852
November	1.93	1.67	2,105,240
December (1-3)	1.82	1.76	106,707
<b>2023</b>			
November	2.65	2.33	3,032,760
December	2.39	2.16	2,792,977

### PLAN OF DISTRIBUTION

InPlay may sell Securities to or through underwriters or dealers purchasing as principal, and also may sell Securities to one or more purchasers directly pursuant to applicable statutory exemptions or through Investment Dealers designated by InPlay. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale (including sales in transactions that are deemed to be ATM Distributions, including sales made directly on the TSX or other existing trading markets for the Securities, and as set forth in an applicable prospectus supplement), at prices related to such prevailing market prices or at prices to be negotiated with purchasers.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the name or names of any Investment Dealers, the initial public offering price, the proceeds to InPlay, any underwriting discount or commission to be paid to any Investment Dealers and any discounts, concessions or commissions allowed or re-allowed or paid by any Investment Dealers to other investment dealers.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering

price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased.

The Securities may also be sold directly by InPlay at such prices and upon such terms as agreed to by InPlay and the purchaser or through agents designated by InPlay as applicable, from time to time. Unless otherwise indicated in the applicable Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

Any public offering price and any discounts, concessions or commissions allowed or re-allowed or paid to Investment Dealers may be changed from time to time. InPlay may agree to pay the Investment Dealers a commission for various services relating to the issue and sale of any Securities offered hereby. Investment Dealers who participate in the distribution of the Securities may be entitled under agreements to be entered into with InPlay to indemnification by InPlay against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such Investment Dealers may be required to make in respect thereof.

The Securities may be sold from time to time in one or more transactions at a fixed price or at non-fixed prices. If offered on a non-fixed price basis, the Securities may be offered at market prices prevailing at the time of sale, at prices determined by reference to the prevailing price of a specified security in a specified market or at prices to be negotiated with purchasers, in which case the compensation payable to an Investment Dealer in connection with any such sale will be decreased by the amount, if any, by which the aggregate price paid for the Securities by the purchasers will be less than the gross proceeds paid by the Investment Dealer to us. The price at which Securities will be offered and sold may vary from purchaser to purchaser and during the period of distribution.

Any offering of Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units that is not a secondary offering will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Preferred Shares, Subscription Receipts, Warrants, Debt Securities, or Units will not be listed on any securities exchange. **Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units may be sold and purchasers may not be able to resell Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation.** Certain dealers may make a market in the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units, as applicable, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units or as to the liquidity of the trading market, if any, for the Preferred Shares, Subscription Receipts, Warrants, Debt Securities or Units.

Subject to applicable laws, and other than in relation to an ATM Distribution, in connection with any offering of Securities, the underwriters, dealers or agents, as the case may be, may over-allot or conduct transactions intended to stabilize, maintain or otherwise affect the market price for the Securities at levels other than those which otherwise might prevail in the open market. Such transactions may be commenced, interrupted or discontinued at any time.

The Securities to be issued hereunder have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws and, may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

## SELLING SECURITYHOLDERS

This Prospectus may also, from time to time, relate to the offering of Securities by way of a secondary offering by certain selling securityholders. The terms under which the Securities will be offered by selling securityholders will be described in the applicable Prospectus Supplement. The Prospectus Supplement for or including any offering of the Securities by selling securityholders will include, without limitation, where applicable: (i) the names of the selling



securityholders; (ii) the number or amount of our Securities of the class being distributed owned, controlled or directed by each selling securityholder; (iii) the number or amount of our Securities of the class being distributed for the account of each selling securityholder; (iv) the number or amount of Securities of any class, to be owned, controlled or directed by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding Securities; (v) whether the Securities of the class being distributed are owned by the selling securityholders both of record and beneficially, of record only or beneficially only; (vi) if the selling securityholder purchased the Securities of the class being distributed within two years preceding the date of the Prospectus Supplement, the date or dates the selling securityholder acquired the Securities; and (vii) if the selling securityholder acquired the Securities of the class being distributed in the 12 months preceding the date of the Prospectus, the cost thereof to the securityholder in the aggregate and on a per Security basis.

## **RISK FACTORS**

**Risk factors relating to our business are discussed in the AIF, the Annual MD&A, the Interim MD&A and certain other documents incorporated by reference or deemed to be incorporated by reference into this Prospectus, which risk factors are incorporated by reference into this Prospectus.** An investment in our business involves risk, and prospective purchasers of Securities should consider carefully such risk factors, as well as the other information contained in and incorporated by reference into this Prospectus and, if applicable, in the applicable Prospectus Supplement before purchasing Securities offered hereby. If any event arising from these risks occurs, our business, prospects, financial condition, results of operations or cash flows, or your investment in the Securities could be materially adversely affected. You could lose all or part of your investment in the Securities.

There can be no assurance as to the liquidity of the trading market for the Preferred Shares, Subscription Receipts, Warrants, Debt Securities and Units or that a trading market for such securities will develop. There is currently no public market through which the Preferred Shares, Subscription Receipts, Warrants, Debt Securities and Units may be sold and, unless otherwise specified in the applicable Prospectus Supplement, InPlay does not intend to apply for listing of such securities on any securities exchanges. This may affect the pricing of the Preferred Shares, Subscription Receipts, Warrants, Debt Securities and Units in the secondary market, the transparency and availability of trading prices and the liquidity of such securities. If an active trading market for any Preferred Shares, Subscription Receipts, Warrants, Debt Securities and Units does not develop, the trading liquidity of the relevant securities will be limited and the market value of the relevant securities may be reduced.

## **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences which may be applicable to a purchaser of Securities offered thereunder, and may also include a discussion of certain United States federal income tax consequences to the extent applicable. Prospective investors should consult their own tax advisors prior to deciding to purchase any of the Securities.

## **EXEMPTIONS**

Pursuant to a decision of the Autorité des marchés financiers dated November 25, 2024, InPlay was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference herein and any Prospectus Supplement to be filed in relation to an "at-the-market" distribution. This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an "at-the-market" distribution) be translated into French if InPlay offers Securities to Québec purchasers in connection with an offering other than in relation to an "at-the-market" distribution.

## **LEGAL MATTERS**

Unless otherwise specified in a Prospectus Supplement, certain legal matters relating to the Securities offered by a Prospectus Supplement will be passed upon, on behalf of InPlay, by Burnet, Duckworth & Palmer LLP. If any Investment Dealers named in a Prospectus Supplement retain their own counsel to pass upon legal matters relating to the Securities, the counsel will be named in the Prospectus Supplement.

## AUDITORS

The Annual Financial Statements which are incorporated by reference into this Prospectus and have been audited by PricewaterhouseCoopers LLP, Chartered Professional Accountants, as indicated in their report dated March 12, 2024, which is also incorporated by reference in this Prospectus. PricewaterhouseCoopers LLP has confirmed that it is independent of the Corporation within the meaning of the Rules of Professional Conduct with Guidance Chartered Professional Accountants of Alberta.

## PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Subject to such further disclosure as may be provided in the applicable Prospectus Supplement, the following is a description of a purchaser's statutory rights in respect of a purchase of Securities under this Prospectus.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of convertible, exchangeable, or exercisable Securities, original purchasers are cautioned that in certain provinces and territories the statutory right of action for damages for a misrepresentation contained in the Prospectus, accompanying Prospectus Supplement and any amendment thereto is limited to the price paid for the convertible, exchangeable or exercisable Security that was purchased under the Prospectus, Prospectus Supplement and any amendment thereto. This means that, under securities legislation of certain provinces and territories, a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

Original purchasers of Debt Securities, Subscription Receipts, and Warrants (including any of the foregoing contained in any Units), which are convertible into other securities of the Corporation will have a contractual right of rescission against us in respect of the conversion, exchange or exercise of such Debt Securities, Subscription Receipts, and Warrants. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the Warrant or Subscription Receipt, as the case may be, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 203 of the *Securities Act* (Alberta), and is in addition to any other right or remedy available to original purchasers under section 203 of the *Securities Act* (Alberta) or otherwise at law.

**CERTIFICATE OF INPLAY**

Dated: December 4, 2024

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

**INPLAY OIL CORP.**

(Signed) "*Douglas Bartole*"  
President and Chief Executive Officer

(Signed) "*Darren Dittmer*"  
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) "*Stephen Nikiforuk*"  
Director

(Signed) "*Dale Shwed*"  
Director