

2026 Management Information Circular

Letter to Shareholders

Dear Valued Shareholder,

We are pleased to provide you with our 2026 management information circular and to notify you that Topaz's annual shareholder meeting will be held on Friday, May 8, 2026 at 9:00 a.m. (Calgary time) at the Calgary Petroleum Club (McMurray Room) located at 319 5th Avenue SW, Calgary, Alberta.

Attending the meeting is your opportunity to hear from our Chair and President & Chief Executive Officer, learn more about our performance in 2025, our sustainable growth strategy, and to vote on the items of business. If you are unable to attend the meeting, you can still vote by proxy prior to the meeting.

The attached management information circular includes important information about the meeting and how to vote and participate in our meeting. It also includes important information about how Topaz is governed and how our executives and directors are compensated.

Please take some time to read the meeting materials and remember to vote.

We would also like to sincerely thank you for your ongoing support.

Sincerely,

Signed "Michael L. Rose"

Michael L. Rose
Chairman of the Board
Topaz Energy Corp.

Calgary, Alberta
March 20, 2026

About Topaz

Topaz is a unique royalty and infrastructure energy company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders, through its strategic relationship with Canada's largest and most active natural gas producer, Tourmaline Oil Corp., an investment-grade senior Canadian E&P company and leveraging industry relationships to execute complementary acquisitions from other high-quality energy companies. Topaz focuses on top-quartile energy resources and assets best positioned to attract capital in order to generate sustainable long-term growth and profitability.

Topaz's common shares are listed and posted for trading on the TSX under the trading symbol "TPZ" and it is included in the S&P/TSX Composite Index. This is the headline index for Canada and is the principal benchmark measure for the Canadian equity markets, represented by the largest companies on the TSX.

For further information, please visit the Company's website at www.topazenergy.ca. Topaz's SEDAR+ filings are available at www.sedarplus.ca.

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Notice of our 2026 Annual Meeting

You are invited to our 2026 annual meeting of shareholders:

When May 8, 2026
9:00 a.m. (Calgary time)

Where Calgary Petroleum Club
McMurray Room
319 5th Avenue SW
Calgary, Alberta

We will cover the following items of business:

1. Receive our 2025 consolidated financial statements and the auditors' report;
2. Elect the directors;
3. Appoint the auditors;
4. Vote on our approach to executive compensation; and
5. Other business.

Your vote and participation are important

If you are a shareholder of record of Topaz common shares at the close of business on March 20, 2026, you are entitled to receive notice of, participate in, and vote at this meeting.

We encourage you to vote your common shares and participate in the meeting.

Unanimous board recommendations

The board of directors unanimously recommends that you vote ***for*** all of the Topaz director nominees and the other business matters at the meeting.

Questions

The board of directors has approved the contents of the attached management information circular and has authorized us to send it to you. Please take some time to read the attached management information circular. It contains important information about the meeting and explains who can vote and how to vote.

By order of the board,

Sincerely,

Signed *"Marty Staples"*

Marty Staples
President & Chief Executive Officer
Topaz Energy Corp.

Calgary, Alberta
March 20, 2026

Management Information Circular

This management information circular is provided in relation to the solicitation of proxies by the management of Topaz Energy Corp. (“we”, “us”, “our”, “Topaz”, the "Corporation" or the “Company”) for use at the annual meeting of shareholders (the “Meeting” or "our 2026 annual meeting") of the Corporation to be held on May 8, 2026, and at any adjournment or postponement thereof.

We use the notice and access model to deliver meeting materials to beneficial holders of our common shares. Notice and access is a set of rules developed by the Canadian Securities Administrators that allows companies to post meeting materials online, reducing paper and mailing costs. You can view our meeting materials online at www.sedarplus.ca or www.topazenergy.ca. For our 2026 annual meeting, we have mailed the following:

- *to beneficial shareholders: a voting instruction form and a notice form with information about the meeting and how to obtain our meeting* materials;
- *to registered shareholders*: a proxy form, notice of the meeting and the management information circular; and
- *to all shareholders* who requested them: a copy of our 2025 consolidated financial statements and accompanying management's discussion and analysis (“MD&A”) and auditors’ report.

You have received this document because you owned Topaz shares on March 20, 2026 (the “record date”) and are entitled to vote at our 2026 annual meeting on May 8, 2026, or at a reconvened meeting if the meeting is postponed or adjourned.

Management is soliciting your proxy for the meeting. We pay all costs for producing and mailing this circular and other meeting materials, and for soliciting your proxy. Topaz employees or directors may contact you to encourage you to vote; however, they are not paid for these services.

All information in this circular is as of March 20, 2026 and all dollar amounts are presented in Canadian dollars, unless noted otherwise.

This circular includes information related to Topaz's sustainability-related commitments. Topaz's sustainability goals and related activities, commitments and plans, and associated information and data, involve forward-looking information and are based on a variety of assumptions, estimates, judgments, risks and uncertainties. Please see "*Forward-Looking Statements*".

1. About the Shareholder Meeting

Business of the meeting

Our 2026 annual meeting will cover the following items of business:

1. Receive our 2025 consolidated financial statements and the auditors' report

If you requested to receive a copy, you will have received our consolidated financial statements for the year ended December 31, 2025 and the auditors' report. Copies of these materials are also available on our website (www.topazenergy.ca) and on SEDAR+ (www.sedarplus.ca).

2. Elect the directors

You (or your proxyholder) will vote on electing eight directors to the board:

1. Michael L. Rose
2. Marty Staples
3. Tanya Causgrove
4. Jim Davidson
5. John Gordon
6. Darlene Harris
7. Steve Larke
8. Brian G. Robinson

Directors will serve until the next annual meeting of shareholders, or until their successors are elected or appointed.

The proxy allows you to vote for all of the nominees, vote for some of the nominees and withhold your vote for others, or withhold your vote for all of the nominees. The board unanimously recommends you vote ***for*** electing all of the nominated directors to the board to hold office until the next annual meeting of shareholders, or until their successors are elected or appointed. **Unless instructed otherwise, the persons named in the proxy will vote for all of our nominees.**

3. Appoint the auditors

You (or your proxyholder) will vote on appointing our external auditors. The audit committee and the board propose that KPMG LLP, Chartered Professional Accountants ("KPMG") be re-appointed as auditors to serve until the next annual meeting of shareholders. KPMG LLP was originally appointed as Topaz's auditors on November 14, 2019. The audit committee will recommend KPMG's compensation to the board for its review and approval.

We have confirmed that KPMG is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by all relevant professional bodies in Canada and applicable legal requirements.

You can find other information about the audit committee in our annual information form for the year ended December 31, 2025 on the SEDAR+ website at (www.sedarplus.ca).

The board unanimously recommends you vote ***for*** appointing KPMG as our auditors to hold office until the next annual meeting of shareholders. **Unless instructed otherwise, the persons named in the proxy will vote for the appointment of KPMG as our auditors.**

4. Vote on our approach to executive compensation

You (or your proxyholder) will vote on our approach to executive compensation. A key principle underlying our executive compensation is 'pay for performance'. We believe that linking compensation with strategy and corporate performance helps us to attract and retain excellent employees and motivate them to focus on our success.

A detailed discussion of our approach to executive compensation is contained in Item 3 of this management information circular under the heading "*Executive and Director Compensation*", which also includes a discussion on our compensation philosophy and strategy, the objectives of different elements of our compensation programs, the way performance is assessed and compensation decisions are made, and how our compensation policies and practices are designed to align pay with performance and the Company's strategies. Since Topaz's inception, the governance, compensation and sustainability committee (the "GC&S Committee") of the Board and the Board have carefully considered and continue to enhance our approach to executive compensation, to ensure alignment with Company performance, our strategic goals and the principles of pay-for-performance. We continue to make enhancements to our approach to executive compensation consistent with those principles. In 2025, we received 79.55% support from shareholders for our approach to executive compensation. See also "*Shareholder Advisory Vote on our Approach to Executive Compensation*" under the heading "*Executive and Director Compensation*" for further information.

Shareholders will have the opportunity to vote for or against our approach to executive compensation. Effectively, this gives shareholders a "say on pay". This is an advisory vote, so the results will not be binding on the board. The board will, however, consider the outcome of the vote as part of its ongoing review of executive compensation. The Company plans to hold an advisory vote on our approach to executive compensation on an annual basis.

You will be asked to consider, and if deemed advisable, approve the following non-binding resolution:

RESOLVED, as an ordinary resolution and on an advisory basis and not to diminish the role and responsibilities of the board of directors of Topaz Energy Corp. ("Topaz"), that the shareholders of Topaz ("Shareholders") accept the approach to executive compensation disclosed in Topaz's management information circular delivered in advance of the 2026 annual meeting of Shareholders.

This resolution conforms to the language of the resolution recommended by the Canadian Coalition for Good Governance. The board unanimously recommends you vote ***for*** this resolution. **Unless instructed otherwise, the persons named in the proxy will vote for our approach to executive compensation as described in this circular.**

5. Other business

You (or your proxyholder) will vote on any other items of business that may be properly brought before the meeting. As of the date of this circular, we are not aware of any other matters to be brought before the meeting.

Following the conclusion of the formal business to be conducted at the meeting, we will invite questions and comments from registered shareholders and duly appointed proxyholders.

Quorum

According to our by–laws, we must have at least two persons present, holding or representing at least 25% of our outstanding common shares, for the meeting to proceed. Otherwise, the meeting will be adjourned to a set time and place and no other business will be transacted.

About voting results

We will issue a news release with the voting results as soon as possible following the meeting. The voting results will be available on our website (www.topazenergy.ca) and on SEDAR+ (www.sedarplus.ca).

Voting

We are authorized to issue an unlimited number of common shares.

As at March 20, 2026, we had 154,740,469 common shares issued and outstanding. The outstanding common shares are listed and trade on the Toronto Stock Exchange ("TSX") (TSX: TPZ).

Shareholders are entitled to one vote per common share they hold on a poll vote or ballot at the meeting.

To the best of our knowledge, no person beneficially owns, controls or directs, directly or indirectly, more than 10% of our common shares, except as described below:

Name and municipality of residence	Type of Ownership	Number of Common Shares	Percentage of outstanding Common Shares
Tourmaline Oil Corp. Calgary, Alberta	Legal	23,529,494	15.2%
Canoe Financial LP. Calgary, Alberta	Legal	15,766,978	10.2%

Who can vote?

You can vote at our annual meeting if you held common shares at the close of business on March 20, 2025. You are not allowed to vote if you acquired common shares after March 20, 2026, unless you ask us to include your name in the list of voting shareholders at least ten days before the meeting.

How to vote

You can vote your common shares by proxy, or by attending the meeting and voting in person.

Voting by proxy
Registered shareholders

You are a registered shareholder if you have share certificates in your name.

Voting by proxy is the easiest way to vote because you can appoint someone to represent you (your "proxyholder") and vote your shares according to your instructions. Your proxyholder can be anyone and does not need to be a Topaz shareholder.

The representatives of Topaz named on the proxy form have agreed to serve as your proxyholder and will vote your shares according to your instructions. If you do not specify your voting instructions, they will vote your shares *for* each item of business:

- *f*or electing the nominated directors;
- *for* appointing KPMG LLP as our external auditors; and
- *for* our approach to executive compensation,

You can vote by proxy in one of three ways:

- on the internet (https://vote.odysseytrust.com) and follow the instructions on screen;
- by completing the proxy form, then signing and dating it and mailing it in the enclosed envelope; or
- at the meeting in person or in the manner described under the heading "How do I participate in the meeting if I can't attend in person" below.

If you vote on the internet or at the meeting, do not send back the proxy form.

If the shares are held in the name of a corporation, you ***must*** use the enclosed proxy form and mail it in the enclosed envelope. The proxy must be signed under its corporate seal or by an authorized officer or attorney.

If you want to appoint someone else to be your proxyholder, you must use the enclosed proxy form and print that person's name in the blank space provided on the form, or use the internet https://vote.odysseytrust.com, and register that proxyholder online. Your proxyholder must vote your shares according to your instructions. If you appoint someone else to be your proxyholder and do not give them specific voting instructions, they can vote as they see fit, using their best judgment.

If there are changes to the items of business or other matters that are properly brought before the meeting, your proxyholder can use their discretion and vote as they see fit, using their best judgment. We do not anticipate any changes or other matters to be brought before the meeting.

Beneficial shareholders

Many of our common shares are held by beneficial shareholders. You are a beneficial shareholder if your shares are registered in the name of a nominee, such as your bank, trust company, securities broker, trustee or other institution.

If you are a beneficial owner of our shares and have received this information from us, we have obtained your details from your broker and have complied with all regulatory requirements. We are responsible for delivering these materials to you and for executing your voting instructions.

In Canada, the majority of beneficially owned common shares are registered under CDS & Co., the registration name for CDS Clearing and Depository Services Inc. ("CDS"), which acts as the nominee for many Canadian brokerage firms. In the United States ("U.S."), most common shares are registered in the name of Cede & Co., the nominee of The Depository Trust Company, which is the U.S. equivalent of CDS.

Nominees can only vote the shares for their clients if they have received specific voting instructions from them.

To vote your shares as a beneficial shareholder, you must give your broker your voting instructions using the voting instruction form provided in this package. Be sure to follow the instructions provided on the form to allow enough time for your voting instructions to reach your nominee so they have enough time to process them prior to the meeting.

Most nominees delegate responsibility for obtaining voting instructions from their clients to Broadridge Financial Solutions Inc. ("Broadridge"). Broadridge usually mails a scannable voting instruction form that is to be completed and returned to them by mail or fax. You can also call a toll–free phone number or access Broadridge's dedicated voting website to submit your voting instructions.

If you received a proxy form or voting materials from a company other than Broadridge, you need to complete and return such form following the instructions they have provided.

Voting at the meeting in person

If you are a beneficial shareholder and you want to attend the meeting and vote your shares in person, you must print your own name as the proxyholder on the proxy or voting instruction form and return it in the enclosed envelope. Do not complete the rest of the form or submit your voting instructions because your vote will be taken at the meeting. If your proxy form indicates that you can vote online, you must type your name as proxyholder on the online form according to the instructions.

Deadline

Odyssey Trust Company is our transfer agent. **Odyssey Trust Company must receive your completed proxy form or voting instructions by 9:00 a.m. (Calgary time) on May 7, 2026 or if adjourned, 48 hours before the date of the adjourned meeting (excluding Saturdays, Sundays and holidays).**

If you are a beneficial shareholder, send your voting instructions right away to allow enough time for your nominee to receive the information and then send it to Odyssey Trust Company.

How do I participate in the meeting if I can't attend in person?

Registered shareholders: The 12-digit control number located on the proxy form or in the email notification you received is your Control Number.

Duly appointed proxyholders: Duly appointed proxy holders are required to attend the meeting in person to vote the shares.

Changing your vote

You can revoke a proxy form you previously submitted by sending us a revocation notice in writing from you, or an attorney to whom you have given written authorization. If the shareholder is a corporation, the change must be made under its corporate seal or by an authorized officer or attorney. The written notice must be delivered to our head office any time **before 4:30 p.m. (Calgary time) on May 7, 2026 or if adjourned, the last business day before the date of the adjourned meeting**, or to the Chairman of the meeting before the start of the meeting. If you are a beneficial shareholder, contact your broker, financial institution or the nominee that holds your common shares to revoke your voting instructions. You can also revoke your proxy in any other way the law allows.

The nominated directors

Our articles state that the board must have a minimum of three and a maximum of twelve directors. The board has fixed the number of nominated directors to be elected by you at eight.

All the nominated directors currently serve on our board. The nominated directors have a strong range of skills and experience. We believe that each nominated director is willing and able to serve on the board until the next annual meeting of shareholders. If any of them is unable to serve, your proxyholder can vote for another nominated director, unless you have indicated that your vote should be withheld.

At the date of the meeting, five of the eight nominated directors will be independent as defined by Canadian securities laws, meaning, in general, that they do not have any relationships that might compromise their ability to use independent judgment or to act in Topaz's best interests. All the members of the Board are independent directors of the Corporation, except Mr. Rose because he is the President, Chief Executive Officer & Chairman of Tourmaline, Mr. Robinson because he is the Chief Financial Officer and a director of Tourmaline and Mr. Staples because he is the President, Chief Executive Officer and a director of Topaz.

Our policy on majority voting

The board has adopted a majority voting policy for directors that requires individual voting by ballot for each director.

Pursuant to this policy, if any nominee for director receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "majority withhold vote") then promptly following a majority withhold vote such nominee will tender his or her resignation for consideration by the board to the chair of the GC&S Committee. This resignation will be effective upon acceptance by the board. Also, if the chair of the GC&S Committee received a majority withhold vote, then he or she will tender his or her resignation to the Chairman of Topaz. Generally, it is expected that the board will accept a resignation absent exceptional circumstances.

The GC&S Committee will promptly consider the tendered resignation and recommend to the board whether to accept or reject it. In determining whether to recommend acceptance or rejection of the tendered resignation, the GC&S Committee will consider all factors it deems relevant including, without limitation: the reasons, if known, why shareholders "withheld" or were requested to "withhold" votes from the director. In particular, the GC&S Committee will consider if shareholders "withheld" or were requested to "withhold" votes from the director for reasons other than the qualifications or individual actions of the director; the director's length of service and qualifications; the director's share ownership; the director's contributions to Topaz; the current mix of skills and attributes of the directors on the board; the

impact with respect to covenants in agreements or plans, if any; and legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for director numbers and qualifications.

The board will consider the GC&S Committee's recommendation not later than 90 days following the date of the shareholders' meeting at which the election occurred. In deciding whether to accept or reject the tendered resignation, the board will consider the factors considered by the GC&S Committee and any additional information and factors the board believes to be relevant. Generally, it is expected that the board will accept a resignation absent exceptional circumstances.

Promptly following the board's decision, Topaz will disclose that decision, including an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation, in a press release and provide a copy of the press release to the Toronto Stock Exchange. If the board decides to accept the director's resignation, the GC&S Committee will recommend to the board whether to fill the resulting vacancy or to continue with the reduced size of the board.

Any director who tenders his or her resignation pursuant to the majority voting policy will not participate in the GC&S Committee recommendation or the board consideration whether to accept or reject the tendered resignation. If a majority of the members of the GC&S Committee received a majority withhold vote at the same election, then the directors who did not receive a majority withhold vote will appoint a board committee among themselves solely for the purpose of considering the tendered resignations and such special committee will recommend to the board whether to accept or reject them within the 90 day period. If a sufficient number of directors have received a majority withhold vote and have tendered a resignation in accordance with the majority voting policy, such that the board would no longer have a quorum if all resignations were accepted, then such directors who have tendered a resignation in accordance with the majority voting policy shall not vote in any meeting of the board at which his or her resignation is considered. However, in that case, each such director present at a meeting of the board may be counted for the purpose of determining whether the board has quorum at the particular meeting. Except as set forth in this paragraph, a director who tenders his or her resignation pursuant to the majority voting policy will continue to participate in all meetings of the board and any applicable committees of the board on which such director serves until such time, if applicable, as the board decides to accept the director's tendered resignation.

In the event that any director who received a majority withhold vote does not tender his or her resignation in accordance with the majority voting policy, he or she shall not be re-nominated by the board and shall not be entitled to any benefits (financial or otherwise) of a director or past director of Topaz.

The board and the GC&S Committee may adopt such procedures as it sees fit to assist in its determinations under the majority voting policy.

Our majority voting policy applies only to uncontested elections. An "uncontested election" means any election of directors where the election does not involve the circulation of proxy material required by applicable securities legislation in support of one or more nominees who are not part of the slate supported by the board.

Advance Notice By-Law

Topaz's by-laws set forth a procedure requiring advance notice to Topaz by any shareholder who intends to nominate a person for election as a director of Topaz other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the ABCA; or (ii) a shareholder proposal made pursuant to the provisions of the ABCA. Among other things, the By-Law sets a deadline by which such shareholders must notify Topaz in writing of an intention to nominate directors prior to any meeting of shareholders at which directors are to be elected and specify the information that a nominating shareholder must include in the notice in order for director nominees to be eligible for nomination and election at the meeting.

In the case of an annual meeting of shareholders, notice to Topaz must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the tenth day following such public announcement.

In the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose including the election of directors, notice to Topaz must be made not later than the close of business on the 15th day following the date on which the first public announcement of the date of the special meeting of shareholders was made.

In the event of an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof, a new time period shall commence for the giving of timely notice.

A copy of our by-laws is publicly available on Topaz's website at www.topazenergy.ca.

Director Profiles

The following profiles give information about each nominated director, including their background and experience, meeting attendance, prior year's shareholder meeting voting results, beneficial ownership of Common Shares held directly and indirectly as at December 31, 2025, and other public company boards on which they serve. The value of common shares set forth below is based on the closing price of the Common Shares on the TSX on December 31, 2025, which was $27.54.

Michael L. Rose

Chair / Non-Independent Director

Alberta, Canada
Director since
November 12, 2019[1]

Age: 68

2025 Votes For:
104,825,255 (93.47%)
2025 Votes Withheld:
7,320,094 (6.53%)

Related Director: Yes
Mr. Rose is Chairman, President & CEO of Tourmaline, which owned 15.2% of Topaz at December 31, 2025.

Mr. Rose's principal occupation is the Chairman, President & Chief Executive Officer of Tourmaline since he founded the Company in August 2008. Prior thereto, he was Chairman, President & Chief Executive Officer of Duvernay Oil Corp. ("Duvernay"), a publicly traded oil and gas company (2004-2008). Mr. Rose has held various executive leadership, exploration and production positions, including managing exploration and petroleum engineering research for a large exploration and production company before founding and leading Berkley Petroleum Corp. ("Berkley") in 1993. After the sale of Berkley in 2001, Mr. Rose founded and led Duvernay, which was sold in August 2008.

Mr. Rose was educated at Queen's University, graduating with an honors degree in Geology. Mr. Rose is a member of the Association of Professional Engineers and Geoscientists of Alberta and the Canadian Society of Petroleum Geologists. Mr. Rose is the recipient of the Stanley Slipper Gold Medal from the Canadian Society of Petroleum Geologists (2009), amongst numerous other recent awards in recognition of his exemplary leadership and business success. Mr. Rose has over 47 years of experience in the oil and gas industry. Mr. Rose has extensive experience in the oil and gas industry in the areas of executive leadership, stakeholder engagement and communication, strategic planning, risk management, commercial development and exploration.

Board / Committee Membership	***2025 Attendance***	
Chairman	4/4	100%

Other Public Boards
Tourmaline

Equity Owned, Controlled or Directed		***Value at Dec. 31[2]***
Common Shares	853,470	$23,504,564
DSU	28,454	$783,623
Total	**881,924**	**$24,288,187**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met[3]***
202x	Yes

(1) Mr. Rose has been a director since November 14, 2019, the date when Topaz was initially capitalized pursuant to the 2019 equity financing and its formative royalty and infrastructure assets were acquired resulting in the Company (previously named "Exshaw Oil Corp.", which Mr. Rose was a director of) no longer being a wholly-owned subsidiary of Tourmaline.

(2) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.

(3) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

Tanya Causgrove

Independent Director

Alberta, Canada
Director since
August 12, 2020

Age: 55

2025 Votes For:
111,990,007 (99.86%)
2025 Votes Withheld:
155,342 (0.14%)

Related Director: No

Ms. Causgrove's principal occupation is Chief Financial Officer and Managing Director of ARC Financial. Ms. Causgrove is a member of ARC Financial's Executive Committee and Investment and Risk Committees. She leads ARC Financial's finance, investment management, risk management, human resources, information systems & security and administrative functions, and works closely with the investment team and investors. Ms. Causgrove has more than 25 years of experience in the energy industry. Ms. Causgrove's expertise is focused on executive leadership and strategy, corporate finance, human resources including diversity and inclusion, corporate governance and risk management. Ms. Causgrove currently represents ARC Financial on the board of Cygnet Energy Ltd. and holds a Bachelor of Commerce in Accounting from the University of Alberta, is a Chartered Professional Accountant (CPA, CA) and a CFA Charter holder.

Board / Committee Membership	***2025 Attendance***	
Director	4/4	100%
Chair – Reserve Committee	1/1	100%
Member – Audit Committee	4/4	100%

Other Public Boards
None

Equity Owned, Controlled or Directed		***Value at Dec. 31***[1]
Common Shares[2]	N/A	N/A
DSU[2]	29,264	$805,931
Total	**29,264**	**$805,931**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met***[3]
7x	Yes

(1) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.
(2) Ms. Causgrove is an employee of ARC Financial Corp. ("ARC"), and the nominated representative pursuant to an investment rights agreement between ARC and Topaz on behalf of ARC's affiliate, ARC Energy Fund 9, that owned 4,837,006 Common Shares on December 31, 2025.
(3) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

Jim Davidson

Independent Director

Alberta, Canada
Director since
November 14, 2019

Age: 69

2025 Votes For:
111,975,430 (99.85%)
2025 Votes Withheld:
169,919 (0.15%)

Related Director: No

Mr. Davidson's principal occupation is a Corporate Director. Mr. Davidson co-founded and led FirstEnergy Capital Corp. which became the world's premier choice for energy sector investment banking. Subsequently, Mr. Davidson was the Deputy Chairman of GMP First Energy, a leading Canadian energy-focused investment bank from which he retired from his role in 2018. Mr. Davidson is a director of ATB Financial, the Business Council of Alberta, the Economic Futures Council of Junior Achievement, the Fraser Institute and the Modern Miracle Network. Mr. Davidson holds a Bachelor of Environmental Studies from the University of Waterloo and has earned the Institute of Corporate Directors (ICD.D) designation. Mr. Davidson has more than 41 years of experience in the areas of investment banking, executive leadership, risk management, stakeholder relations and strategic planning. Mr. Davidson continues to expand his expertise with a focus on sustainability and cyber security risks and opportunities. Mr. Davidson is a recipient of the Queen Elizabeth II Diamond and Platinum Jubilee Medals by the Governor General of Canada and has been recognized for his professional accomplishments including induction into the IIAC Investment Industry Hall of Fame and being awarded a "Lifetime Achievement Award" by the Oil & Gas Council in 2016, and "Male Champion of Diversity and Inclusion" by a Calgary-based organization in 2021.

Board / Committee Membership	***2025 Attendance***	
Director	4/4	100%
Member – Reserves Committee	1/1	100%

Other Public Boards
None

Equity Owned, Controlled or Directed		***Value at Dec. 31***[1]
Common Shares	246,863	$6,798,607
DSU	28,454	$783,623
Total	**275,317**	**$7,582,230**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met***[2]
63x	Yes

(1) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.
(2) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

Darlene Harris

Independent Director

Alberta, Canada
Director since
June 11, 2020

Age: 59

2025 Votes For:
79,463,491 (70.86%)
2025 Votes Withheld:
32,681,858 (29.14%)

Related Director: No

Ms. Harris' principal occupation is a Corporate Director. She is currently a director of Servus Credit Union and the Alberta Central Credit Union where she serves on risk, finance, audit and nominating committees (including current, previous and/or Chair positions). Previously, Ms. Harris worked at Shell Canada and Co-Chaired the Shell Canada Pension Plan and was also a director and Chair of the Audit Finance Committee of the Spark Credit Union. Ms. Harris spent 32 years with Shell Canada in a number of senior positions including Senior Manager, Mergers, Acquisitions and Corporate Finance; Manager, Shell Canada Pension Plan; and Treasurer. During Ms. Harris' tenure at Shell Canada, Ms. Harris was responsible for the Canada-level risk management within the operational areas she managed in the multi-national energy company. Ms. Harris has a broad range of experience in the oil and gas industry, including strategic acquisitions and divestments, capital markets, risk management, pension management, treasury, corporate governance, and talent management. Ms. Harris is a Chartered Professional Accountant (CPA, CMA) and has earned the Institute of Corporate Directors (ICD.D) designation.

Board / Committee Membership	***2025 Attendance***	
Director	4/4	100%
Member – Audit Committee	4/4	100%
Chair – GC&S Committee	6/6	100%

Other Public Boards
None

Equity Owned, Controlled or Directed		***Value at Dec. 31***[1]
Common Shares	68,071	$1,874,675
DSU	17,072	$470,163
Total	**85,143**	**$2,344,838**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met***[2]
20x	Yes

(1) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.

(2) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

John Gordon

Independent Director

Alberta, Canada
Director since
November 14, 2019

Age: 69

2025 Votes For:
103,424,604 (92.22%)
2025 Votes Withheld:
8,720,745 (7.78%)

Related Director: No

Mr. Gordon's principal occupation is a Corporate Director. Mr. Gordon served as the Canadian Managing Partner, Quality and Risk Management, the Canadian Managing Partner, Audit and the Calgary Office Managing Partner for KPMG LLP prior to his retirement in 2018. Mr. Gordon has extensive experience in providing audit and other services to public oil and gas companies and overseeing risk management for KPMG LLP in addition to undertaking business development for the Calgary office of KPMG LLP. Mr. Gordon serves on the Board of Cardinal Energy Ltd., a Canadian public oil and gas company. Mr. Gordon also serves on the Board of the University of Calgary Properties Group and is an active member of the Institute of Corporate Directors. Mr. Gordon has earned the Institute of Corporate Directors (ICD.D) designation, is a Chartered Professional Accountant (CPA, CA), is a CFA Charter holder, and is a graduate of the University of Saskatchewan. Mr. Gordon has over 30 years of professional experience in the areas of assurance and advisory services, client relations and communication, strategic planning, risk management, senior leadership, human resources including professional development and training, corporate governance and professional practice.

Board / Committee Membership	***2025 Attendance***	
Director	4/4	100%
Member – GC&S Committee	6/6	100%
Chair – Audit Committee	5/5	100%

Other Public Boards
Cardinal Energy Ltd.

Equity Owned, Controlled or Directed		***Value at Dec. 31***[1]
Common Shares	163,080	$4,491,223
DSU	14,383	$396,108
Total	**177,463**	**$4,887,331**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met***[2]
41x	Yes

(1) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.

(2) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

Steve Larke

Lead Independent Director

Alberta, Canada
Director since
November 14, 2019

Age: 54

2025 Votes For:
104,934,051 (93.57%)
2025 Votes Withheld:
7,211,298 (6.43%)

Related Director: No

Mr. Larke's principal occupation is a Corporate Director and is a director of Vermilion Energy Inc. and Headwater Exploration Inc. Mr. Larke's previous roles include Operating Partner and Advisory Board member with Azimuth Capital Management Inc., an energy-focused private equity fund. Prior to, Mr. Larke was Managing Director and Executive Committee member with Calgary-based Peters & Co. from 2005 to 2015, and prior thereto, was Vice-President & Director with TD Newcrest from 1997 to 2005. Both at Peters & Co. and TD Newcrest, Mr. Larke received leading rankings in the Brendan Wood international survey of institutional investors. Mr. Larke holds a Bachelor of Commerce degree (with distinction) from the University of Calgary and has earned the Chartered Financial Analyst (CFA) and Institute of Corporate Directors (ICD.D) designations. In addition, Mr. Larke is a Fundamentals of Sustainability Accounting (FSA) Credential Holder. Mr. Larke has over 28 years of experience in the areas of energy capital markets, stakeholder engagement and communication, corporate finance, risk management and corporate strategy. Mr. Larke continues to expand his expertise with a focus on climate-related risks and opportunities, diversity and inclusion and sustainability reporting.

Board / Committee Membership	***2025 Attendance***	
Lead Independent Director	4/4	100%
Member – GC&S Committee	6/6	100%
Member – Reserves Committee	1/1	100%

Other Public Boards
Headwater Exploration Inc.
Vermillion Energy Inc.

Equity Owned, Controlled or Directed		***Value at Dec. 31***[1]
Common Shares[2]	450,840	$12,416,134
DSU	26,175	$720,860
Total	**477,015**	**$13,136,994**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met***[3]
109x	Yes

(1) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.
(2) Includes 100,000 Common Shares held by a third-party private family trust in which he has no beneficial interest.
(3) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

Brian G. Robinson

Non-Independent Director

Alberta, Canada
Director since
November 12, 2019[1]

Age: 69

2025 Votes For:
104,474,855 (93.16%)
2025 Votes Withheld:
7,670,494 (6.84%)

Related Director: Yes
Mr. Robinson is the CFO of Tourmaline, which owned 15.2% of Topaz at December 31, 2025.

Mr. Robinson's principal occupation is a director and Chief Financial Officer of Tourmaline. Previously, Mr. Robinson was Vice President, Finance & Chief Financial Officer of Duvernay and prior thereto was Vice President, Finance & Chief Financial Officer of Berkley. Formerly, he held numerous positions in finance and accounting with intermediate and senior oil and gas companies, after commencing his career with a large public accounting firm. Mr. Robinson is currently a trustee of Boardwalk Real Estate Investment Trust, a publicly-traded real estate investment trust on the TSX. Mr. Robinson holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Professional Accountant (CPA, CA). Mr. Robinson has more than 44 years of experience in the oil and gas industry focused on executive leadership, strategic planning, corporate finance, accounting and financial reporting, risk management, treasury and tax.

Board / Committee Membership	***2025 Attendance***	
Director	4/4	100%

Other Public Boards
Tourmaline
Boardwalk Real Estate Investment Trust

Equity Owned, Controlled or Directed		***Value at Dec. 31***[2]
Common Shares	373,871	$10,296,407
DSU	28,454	$783,623
Total	**402,325**	**$11,080,030**

Equity Ownership (x) *(multiple of base compensation)*	***Ownership Requirement Met***[3]
92x	Yes

(1) Mr. Robinson has been a director since November 14, 2019, the date when Topaz was initially capitalized pursuant to the 2019 equity financing and its formative royalty and infrastructure assets were acquired resulting in the Company (previously named "Exshaw Oil Corp.", which Mr. Robinson was a director of) no longer being a wholly-owned subsidiary of Tourmaline.
(2) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.
(3) Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base annual retainer of $120,000. See *"Share Ownership Guidelines"* in this circular.

Marty Staples

President, Chief Executive Officer & Non-Independent Director

Alberta, Canada
Director since
June 23, 2021

Age: 50

2025 Votes For:
111,167,792 (99.13%)
2025 Votes Withheld:
977,557 (0.87%)

Related Director: Yes
Mr. Staples is the President & CEO of Topaz.

Mr. Staples is the President & Chief Executive Officer of the Company, a role he has held since April 2020, when Topaz hired its initial employees. Mr. Staples has been instrumental in Topaz's formation and accretive acquisition growth and diversification strategy. Prior thereto, since 2010, Mr. Staples was directly involved in Tourmaline's strategic growth, executing numerous asset and corporate acquisitions in his land and business development-focused roles. Mr. Staples previously also held positions at both private and public companies. Mr. Staples holds a Bachelor of Commerce degree from the Haskayne School of Business at the University of Calgary. Mr. Staples has 25 years of experience in the oil and gas industry focused on leadership, communication, business development, investor relations, investment evaluation and contract negotiation.

Board / Committee Membership	***2025 Attendance***	***Other Public Boards***
Director	4/4 100%	None

Equity Owned, Controlled or Directed		***Value at Dec. 31***[1]	***Equity Ownership (x)*** *(multiple of base compensation)*	***Ownership Requirement Met***[2]
Common Shares	441,944	**$12,171,138**	21x	Yes

(1) Represents the value of the Common Shares using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18.

(2) Guidelines for all management directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their annual base salary. See *"Share Ownership Guidelines"* in this circular.

Cease Trade Orders

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any of such persons) is, as of the date of this management information circular, or was within ten years before the date of this management information circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Other than as set forth below, to the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any of such persons) or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation: (i) is, as of the date of this management information circular, or has been within the ten years before the date of this management information circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this management information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Rose, a director of the Corporation, and the President & Chief Executive Officer and a director of Tourmaline, served as a director of Nordegg Resources Inc. ("**Nordegg**") until June 10, 2016. On June 16, 2016, a secured creditor of Nordegg was granted an order under the *Bankruptcy and Insolvency Act (Canada)* appointing a receiver to take possession and exercise control over all of Nordegg's current and future assets.

Penalties or Sanctions

To the knowledge of the Corporation, no director or executive officer of the Corporation (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement

agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On June 30, 2005, the United States Securities and Exchange Commission (″SEC″) issued a settlement order relating to certain administrative proceedings involving a number of parties including KPMG LLP and Mr. Gordon, a former partner of KPMG LLP. The SEC alleged that during the years 1999 to 2002, Mr. Gordon, while a partner at KPMG LLP, knew, in his role as concurring and reviewing audit partner, that certain accounting services were being provided by KPMG LLP to an SEC registrant, while KPMG LLP were also serving as auditors to the same registrant. KPMG LLP received $60,148 in aggregate fees from the audit and bookkeeping services it performed for this registrant during this period. Under the terms of the settlement with the SEC, Mr. Gordon agreed not to appear or practice as an accountant before the SEC, with respect to SEC registrants, for a period of nine months, after which time, he was automatically reinstated.

2. Corporate Governance

This section describes Topaz's corporate governance practices and policies.

About Our Corporate Governance

Our board of directors and management are committed to high standards of ethical conduct and corporate governance. At Topaz, we believe that this commitment is essential to operating our business effectively. Topaz's common shares are listed on the TSX. Our corporate governance practices and policies comply with the Canadian Securities Administrators' ("CSA") Corporate Governance Guidelines, as well as the CSA's rules relating to audit committees and certification of financial information collectively referred to as the Corporate Governance Guidelines in this section. Topaz's approach to corporate governance is developed by the GC&S Committee, with the board having final approval of Topaz's governance practices and policies.

The Role of the Board of Directors

The board's core responsibilities are to foster Topaz's long–term success; to oversee our business strategy; to appoint the CEO, supervise management and oversee succession; and to act ethically, in good faith and in the best interests of Topaz and our stakeholders, to maximize shareholder value through an appropriate framework of risk management, corporate governance and internal controls. Many of the board's responsibilities are carried out by its three committees, being the audit committee, the GC&S Committee and the reserves committee. The responsibilities delegated to each committee are described in each committee's board–approved terms of reference which are available on our website at www.topazenergy.ca.

Board Mandate

Topaz's corporate governance framework is designed to align the interests of the board and management with Topaz's shareholders, to promote an ethical and responsible business culture and to enable effective risk management. The Board is also responsible for monitoring the effectiveness of corporate objectives directed at benefitting all stakeholders and ensuring the long-term sustainability of the Corporation, which specifically includes overseeing and monitoring the Corporation 's environmental, social, governance and health and safety matters as well as corporate social responsibility initiatives. Topaz's Board of Directors' Mandate ("Board Mandate") is attached as Appendix A to this circular, which is also available on our website at www.topazenergy.ca. The Board Mandate is reviewed annually and updated by the board of directors from time to time.

Strategic Planning Process

The board of directors oversees Topaz's strategic planning process through specific strategic planning sessions accompanied by discussions of key initiatives at each quarterly board meeting. These discussions encompass both near and long-term strategic objectives ranging between one and five years and beyond. In general, the board monitors and oversees management's achievements in implementing Topaz's strategies and objectives.

Business and Risk Management

The board and management of Topaz have established a risk management framework, and the directors provide significant risk management expertise. The board of directors has delegated responsibility for the oversight of the Corporation's risk management policies and procedures to the audit committee. The management of Topaz provides regular updates to the audit committee regarding the Corporation's risk management policies and procedures related to the principal business risks, including information security or cyber-related risks and potential emerging risks of the Corporation and the actions taken by the Corporation to mitigate risks. From time to time, Topaz engages an independent third-party advisory firm to assess Topaz's risks and risk management system which is presented and discussed with the audit committee. Detailed information with respect to the material risks applicable to Topaz, are included in the "Risk Factors" section of Topaz's Annual Information Form filed on the SEDAR+ website at www.sedarplus.ca and available on Topaz's website at www.topazenergy.ca.

Financial Management, Internal Controls, Information Security and Compliance Reporting

The board is responsible for approving Topaz's consolidated financial statements and reviewing and overseeing compliance requirements that apply to our business. In addition, the board, through the audit committee, GC&S Committee, and the reserves committee, review the effectiveness of Topaz's control processes and information systems and security by consulting with management and outside experts as necessary to ensure the integrity of the processes, systems and security. The committees review these control processes on a continuing basis. In 2025, the audit committee continued to monitor the testing of the control processes and information systems of Topaz by an external, independent industry firm and on a quarterly basis, management provides updates and certifies compliance with

financial, regulatory, information security and other requirements. On a quarterly basis, the CEO and CFO file statutory compliance certifications regarding Topaz's internal controls over financial reporting.

Whistleblower Policy

The audit committee oversees the application of a whistleblower policy and the functioning of a whistleblower hotline. This hotline is operated by a third-party service provider (Confidenceline) to provide an anonymous way for employees and others to report concerns or complaints regarding accounting, internal accounting controls or auditing matters, as well as other matters, including suspected violations of the law, including bribery or corruption incidents; breaches of Topaz's material policies, human rights issues, information security matters, and health, safety and security matters. Any reports made through the hotline regarding financial matters are reported directly to the chair of the audit committee.

Topaz has established a set of core values that are communicated to all employees and directors which includes the expectation that all employees and directors will promote the highest standards of professional and ethical conduct, openness, honesty and accountability in order to create a culture of integrity throughout the organization, and Topaz expects its partners, vendors and suppliers to conduct business in a similar manner. Topaz prohibits corruption, bribery, money laundering, illicit business dealings, amongst other unlawful practices all of which are outlined in Topaz's code of business conduct and ethics, and which is communicated during onboarding and following any policy reviews and/or changes. All Topaz directors, officers, employees and consultants are required to attest, in writing, to their individual understanding of and agreement to comply with, Topaz's business code of conduct and ethics on an annual basis. In addition, Topaz's primary partners, suppliers and vendors are required to read and attest to their understanding of and compliance with equivalent policies.

The audit committee is responsible for investigating and auditing any complaint received through the whistleblower hotline which is explained in detail in Topaz's whistleblower policy (available on the Company's website at www.topazenergy.ca). To date Topaz has not received any complaints or been made aware of any suspected incident involving the Corporation or its directors, officers, employees and consultants, partners, vendors or suppliers. Furthermore, Topaz has not been subject to any legal or regulatory fines or settlements associated with any violations of bribery, corruption or anti-competitive standards.

Succession Planning and Appointment of Senior Management

The board of directors is responsible for succession planning and for appointing the President & Chief Executive Officer. The GC&S Committee reviews succession planning on a quarterly basis and reports to the board. The board approves decisions relating to the appointment of senior management personnel and any employment contracts or other special arrangements that may have a material impact on Topaz or its human resources and/or compensation policies.

The GC&S Committee assesses succession and resourcing planning risks facing the Corporation and identifies ways in which to mitigate any such risks to provide for timely and effective continuity of leadership for the Corporation. The GC&S Committee has an evolving succession planning strategy for the Corporation's executive team. This strategy considers the relatively unique elements of Topaz, which includes the Corporation's relative youth as an entity, in addition to the low headcount (currently 13 total executives and employees). During the annual assessment of the succession plan, the GC&S Committee considers planning for short-term, sudden impact risk alongside the longer-term development of internal talent, while being mindful of potential external candidates as the Corporation continues to grow.

Compensation

The GC&S Committee reviews the compensation and performance of officers and employees and makes recommendations in this area to the board of directors for approval. This committee also reviews the compensation of directors and makes compensation recommendations to the board of directors for approval.

Corporate Communications

The board approves all of Topaz's major disclosure documents, including:

- annual and quarterly consolidated financial statements;
- management's discussion and analysis;
- the annual information form;
- quarterly earnings news releases;
- the management information circular;
- prospectuses; and
- the annual corporate sustainability report.

A disclosure policy has been adopted by the board, which covers accurate and timely communication of all material information. Topaz's disclosure policy is posted on our website at www.topazenergy.ca. This policy is reviewed annually under the supervision of the GC&S. Topaz provides updates to shareholders as required and communicates

through its website at www.topazenergy.ca. Topaz's code of business conduct and ethics is also posted on this website, along with Topaz's other governance policies.

Communicating with Topaz's Board and Management and Stakeholder Engagement Policy

We are committed to providing Topaz's shareholders and investors with accurate and timely information about Topaz's strategy and business. In addition to releasing the major disclosure documents discussed above, management typically holds quarterly conference calls to communicate with financial analysts, shareholders and other stakeholders, and management participates in industry-sponsored conferences to communicate Topaz's public business updates and hold one-on-one meetings with institutional investors. In addition, shareholders can ask questions and provide feedback to management and the board of directors at our annual shareholders' meeting, or through email which is available on our website at www.topazenergy.ca.

In addition, as further described under the heading "*Business Conduct – Stakeholder Engagement Policy*", Topaz has adopted a Stakeholder Engagement Policy. This policy sets out a framework to promote open and constructive communication with Topaz's stakeholders and guides our community engagement with an emphasis on (i) promoting healthier and more sustainable communities, (ii) supporting educational opportunities and (iii) fostering employee engagement in the community.

Management is principally responsible for stakeholder communications and engagement. Stakeholders may communicate their views to management by contacting: Topaz Energy Corp. Attention: Chief Executive Officer, 2900, 250 6th Avenue S.W. Calgary, Alberta T2P 3H7 or through our Whistleblower Hotline at 1-800-661-9675.

In addition, the Board wishes to ensure there is the opportunity for direct dialogue between the Lead Director, on behalf of directors, and stakeholders. Stakeholders are welcome to initiate communications directly with the Lead Director. To do so, stakeholders should communicate their questions or concerns to the independent directors through the Lead Director by delivering a sealed envelope or email, in each case marked "Confidential", to: Topaz Energy Corp. Attention: Lead Director, 2900, 250 6th Avenue S.W. Calgary, Alberta T2P 3H7.

Expectations of Topaz's Directors

Independence

We believe that an independent board is a fundamental principle of strong corporate governance. For Topaz to comply with the Corporate Governance Guidelines, the majority of our directors must be independent. A director is considered independent in accordance with the Corporate Governance Guidelines only where the board determines that the director has no direct or indirect material relationship with Topaz, or any of its affiliates or subsidiaries. A material relationship is defined in the Corporate Governance Guidelines to mean any relationship which could, in the view of the board, be reasonably expected to interfere with the exercise of a director's independent judgment.

Topaz's GC&S Committee is responsible for regularly assessing director independence and effectiveness and for ensuring that the board functions independent of management. The board is ultimately responsible for determining whether each director is independent under the definition of independence in the Corporate Governance Guidelines. On an annual basis, as part of a detailed, anonymous questionnaire process that is administered by external legal counsel, the GC&S Committee reviews each relationship that a director has with Topaz and its affiliates and subsidiaries, including business, not-for-profit directorships, familial and other relationships, to determine whether the director is or remains independent. This committee's assessment of independence is then reviewed by the board.

The board has determined that all the nominated directors are independent, except Mr. Rose because he is the President, Chief Executive Officer & Chairman of Tourmaline, Mr. Robinson because he is the Chief Financial Officer and a director of Tourmaline and Mr. Staples, because he is the President, Chief Executive Officer and a director of Topaz. Each of the independent directors is free from any business, familial, or other relationship which could, in the view of the board, be reasonably expected to interfere with the director's ability to exercise his or her independent judgment.

Conflicts of Interest

Topaz's directors must avoid conflicts of interest and adhere to our code of business conduct and ethics which is further described below. If a director has a material interest in a potential transaction or agreement, the director must disclose his or her interest in such transaction or agreement and cannot vote on any matter related to the transaction or agreement. In addition, each director is required to annually attest to compliance with our code of business conduct and ethics stating that the director shall make full disclosure of any conflict of interest, real or perceived, between his or her personal business and affairs and the interests of Topaz. Directors are required to ensure that their private and personal interests neither interfere with, nor appear to interfere with, the interests of Topaz.

Related Party Transaction Policy

To govern transactions contemplated between Topaz and non-arm's length parties, Topaz's directors must deal in a manner that is consistent with corporate and securities laws and adhere to our code of business conduct and ethics as well as our Related Party Transaction Policy. Any related person, which includes a director, officer or significant shareholder of Topaz, or a director or officer of a significant shareholder of Topaz who has a material interest in a transaction or proposed transaction, shall disclose the nature and extent of such person's interest in writing to Topaz upon becoming aware of such transactions or as otherwise required to make such disclosure in accordance with applicable securities regulations. No director or officer shall participate in any review, evaluation, negotiation or approval of a related party transaction for which he or she is a related person, except that the director or officer may provide information concerning the related party transaction to the directors who do not have an interest in such transaction. During 2025, due to certain potential acquisition opportunities being evaluated by the Corporation that involved companies with related Topaz directors, the respective directors were recused from certain portions of board of director meetings, and the related meeting materials were withheld.

Political Activities and Contributions

Topaz's code of business conduct and ethics sets out our approach to participation in political lobbying and advocacy activities whereby such activities are not permitted to be conducted on behalf of the Corporation, during an employee's normal business hours, nor involve the use of any of Topaz's resources. Any communication on behalf of Topaz which may express the Corporation's views on local or national issues which affect the business must be permitted by law and within our corporate guidelines.

Anti-Corruption

Topaz's code of business conduct and ethics sets out our policies which prohibit unlawful or unethical behavior as well as our anti-corruption policy, which prohibits solicitation, acceptance or payment of bribes or any other illicit payments for any purpose. Situations where judgment might be influenced or appears to be influenced by improper considerations or gifts, must be avoided. Furthermore, individuals must comply with all laws prohibiting improper payments to officials. Topaz expects its vendors and suppliers to conduct business with the same level of professional integrity it expects from its directors, officers, employees and consultants. All Topaz directors, officers, employees and consultants are required to attest, in writing, to their individual understanding of and compliance with Topaz's business code of conduct and ethics on an annual basis. In addition, Topaz's primary partners, suppliers and vendors are required to read and attest to their understanding of and compliance with equivalent policies.

Topaz has enrolled under the Government of Canada's Extractive Sector Transparency Measures Act (ESTMA) reporting system however due to the Corporation's non-operated investment structure and being in a non-cash taxable position, Topaz made no payments from inception through 2022 which exceeded the $100,000 ESTMA reporting threshold. In respect of 2023, 2024 and 2025, Topaz reports freehold mineral tax payments in respect of its fee mineral title as they now exceed the reporting threshold. Topaz's assets are all located in Canada and Topaz has not made any payments to government bodies outside of Canada.

Chair and Lead Independent Director

The Chair of the board is appointed by the board and serves in a non–executive capacity. Mr. Michael L. Rose, a non-independent director, is Topaz's Chair. Accordingly, Topaz has appointed Mr. Steve Larke as the Lead Independent Director. Topaz strongly believes in having an independent lead director who is responsible for leading the board. Topaz's lead independent director is responsible for providing guidance to the board in the discharge of its mandate and responsibilities, ensuring the board meets its duties and responsibilities. Neither the Chair of the board nor the Lead Independent Director has a second or casting vote at directors' meetings in the event of a tie vote.

Director Over-boarding and Outside Directorships

The GC&S Committee performs an annual assessment of the number of outside directorships held by Topaz's directors, which is limited, and no director is considered to be over-boarded.[(1)] This committee will continue to monitor this matter and may, in the future, recommend the implementation of a formal policy in this regard.

Note:

(1) Over-boarded is considered to be four public boards or more.

In Camera Meetings

The board of directors meets "*in camera"* at each board meeting, including special meetings, without non–independent directors, officers or other management team members present. All board committees also meet "*in camera"* and independently of management at every meeting. The chairs of the board and the board committees follow up with the President & Chief Executive Officer as necessary with respect to matters requiring management action that are raised at these "*in camera"* meetings. The board also excuses members of management and any non–independent directors from portions of any meeting at which a potential conflict arises or where otherwise appropriate, pursuant to the Related

Party Transaction Policy. In 2025, four board meetings were called and the independent directors met "*in camera"* following each meeting. In addition, 11 total committee meetings were called in 2025 and the independent committee members met *"in camera"* following each meeting.

Attendance, Participation and Quorum

Directors are expected to attend (either in person or virtually by teleconference) all board meetings and meetings of board committees to which they belong, as well as the annual shareholders' meeting. Non-member directors are normally welcome to attend all committee meetings, unless otherwise determined by the applicable committee chair. We expect directors to properly prepare for meetings and complete a fulsome review of all materials circulated in advance of a meeting. Directors must arrive prepared to discuss, in a meaningful and constructive way, the matters at hand. In assessing director performance, the GC&S Committee considers each director's attendance record on an annual basis. If a director does not appear to be adequately engaged in the board's work from attendance, preparedness, and participation perspectives, such director will not be recommended for nomination to further serve on Topaz's board.

The bylaws of Topaz provide that quorum at a directors' meeting consists of a majority of directors. In 2025, board and committee meeting attendance were 100% for all independent directors. Mr. Staples is a management director who was appointed to the board on June 23, 2021. Mr. Staples attended 100% of board and committee meetings during 2025. Pursuant to Topaz's Related Party Transaction Policy, Mr. Rose and Mr. Robinson were recused during certain meetings held in 2025 during which potential transactions between Topaz and Tourmaline were discussed, and in previous years, both Mr. Larke and Ms. Causgrove were recused during certain meetings during which potential transactions between Topaz and related companies were discussed.

Financial Literacy

The board has determined that all members of the audit committee are financially literate as described in National Instrument 52–110. In addition to being financially literate, the terms of reference require that all committee members will also have a working familiarity of basic finance and accounting practices and at least one member shall have accounting or related financial management expertise. All members of the audit committee also meet the widely accepted governance definition of "financial expert" having each earned a professional accounting designation and having extensive relevant career experience.

Independent Advisors

In order to ensure that the board is able to function independently of management, the board and its committees have the ability to hire independent advisors, as necessary and at Topaz's expense, to carry out their respective duties and responsibilities.

Position Descriptions

The board has developed written position descriptions for its Chair, the Lead Independent Director, and the Corporation's President & Chief Executive Officer. The responsibilities of each committee are set out in each respective committee's mandate, which also includes the responsibilities of each committee chair. The written position descriptions of the Chair of the board, the Lead Independent Director, the committee terms of reference and the President & Chief Executive Officer are available on Topaz's website at www.topazenergy.ca. The GC&S Committee is responsible for developing and updating the position descriptions.

Board Committees

Overview

The board has three committees to assist with its responsibilities, as further described below. Further information about each committee and its members can be found in this circular, and in the mandate of each committee, which are available at www.topazenergy.ca. These documents are reviewed on an annual basis by the relevant committee and material changes are reviewed and approved by the GC&S Committee and the board. The GC&S Committee evaluates the effectiveness and independence of each of its committees through the Company's written directors' questionnaire ("Questionnaire") and board effectiveness interviews. The GC&S Committee also considers committee role rotations and reports to the Board.

Audit Committee

The audit committee is responsible for overseeing our financial reporting, internal controls, (including information security and artificial intelligence) identification and mitigation processes. In addition, this committee monitors our internal and external auditors. The committee meets quarterly with management and the external auditors and meets *"in camera"* with the external auditors at the end of each committee meeting.

Chair:	John Gordon
Members:	Tanya Causgrove and Darlene Harris
Number of Meetings in 2025:	4
Independence:	100%
Qualifications:	All members must be financially literate as described in National Instrument 52-110. All committee members must have a working familiarity of basic finance, accounting and risk management practices and at least one member must have accounting/financial and/or risk management expertise. Experience serving on audit or risk committees of other boards is an asset.
Financial Experts:	All three members of the committee are considered financial experts, holding relevant professional accounting designations and having earned significant relevant prior experience.
Industry Experts:	Mr. Gordon has significant experience providing assurance and advisory professional services to a wide variety of businesses in the energy industry, including previous roles whereby Mr. Gordon was the managing partner of a multi-national public accounting firm at a regional and national level. Ms. Causgrove is an executive of a comparable business to Topaz where she has developed a broad range of financial and information technology risk management expertise.

Reserves Committee

The reserves committee assists the board by dealing with specific issues in the evaluation of Topaz's reserves. This committee also reviews risk management identification and mitigation processes related to these matters.

Chair:	Tanya Causgrove
Members:	Jim Davidson and Steve Larke
Number of Meetings in 2025:	1
Independence:	100%
Qualifications:	An engineering or oil and gas investment evaluation background is considered an asset. Senior executive, and legal, compliance and/or regulatory experience is also important.

Governance, Compensation and Sustainability Committee

The GC&S Committee's mandate is to enhance Topaz's corporate governance, compensation and sustainability through oversight of related risk management, and to make policy recommendations to the board on related matters.

Chair:	Darlene Harris
Members:	Steve Larke and John Gordon
Number of Meetings in 2025:	6
Independence:	100%
Qualifications:	Human resources or compensation experience is important as well as governance, risk management and sustainability-related experience. Senior executive, and legal, compliance and/or regulatory experience is also important. Experience serving on compensation or similar committees of other boards is an asset.

Financial Experts: All three members of the committee are considered financial experts and have experience in the areas of compensation, human resources, health & safety, risk management, human capital management (including diversity, equity and inclusion) and sustainability.

Director Orientation and Continuing Education

Orientation

All new directors receive a comprehensive orientation following their appointment to the board of directors. Access to comprehensive information regarding Topaz, including access to materials from recent board meetings, is provided to each new director by the Committee which includes the following:

- details about expectations, duties and obligations as a member of Topaz's board
- Topaz's strategy and business, including capital allocation, risk management and corporate responsibility
- details on Topaz's commitment to sustainability initiatives, targets and reporting
- Topaz's articles and by-laws
- board mandate and corporate governance structure
- terms of reference for each board committee
- organization charts
- executive recoupment (claw-back) policy
- Topaz's share ownership guideline for directors and officers
- other key policies, including the code of business conduct and ethics, disclosure, confidentiality and trading policy, related party transaction policy, environment, human rights and health & safety policy, majority voting policy, whistleblower policy, related party transaction policy, vendor code of business conduct and ethics, and stakeholder engagement policy
- diversity, equity and inclusion policy and future succession planning
- security-based compensation plans such as the PSU Plan and DSU Plan
- recent public disclosure documents
- information about Topaz's information systems and security structure and processes, any use of artificial intelligence and its cybersecurity & IT risk management processes and IT incident response policy
- indemnity agreement form for directors and officers
- information about Topaz's directors' and officers' liability insurance program
- information about Topaz's compensation policies

The orientation program for each new director is tailored to his or her needs. However, the focus of the orientation program is on providing new directors with:

- information about the director's duties and obligations as a member of the board of Topaz and any board committee on which the director is invited to serve;
- information about Topaz's business, operations and information technology structure;
- information about courses and programs in relation to Topaz's business; and
- the expectations of directors, including signed acknowledgement of Topaz's code of business conduct and ethics and disclosure, confidentiality and trading policy.

New directors are invited to meet with the Chair of the board, other directors, and senior members of the management team following their appointment.

Continuing Education

Topaz encourages continuing education of its employees, officers and directors, which is the responsibility of the GC&S Committee. Directors receive regular updates on Topaz's business through materials prepared by the management team which include financial reporting updates, assessments of Topaz's performance relative to its strategic plan, Topaz's performance relative to its peers, and other developments that could materially affect Topaz's business, including any significant regulatory developments. Directors participate in and contribute to board meetings which includes strategic planning discussions either at routine board meetings or at specific strategic planning meetings. Board and committee meetings can include presentations or reference materials from third-party service providers or industry experts on various topics including but not limited to: capital markets updates; relevant political, economic, industry and social trends; technical analysis; regulatory developments; environmental, social and governance trends; strategic opportunities; cyber and information security; artificial intelligence advancements; and other risk management trends; corporate performance reviews; and compensation planning and best practices. Directors directly communicate and may arrange meetings directly with the Named Executive Officers.

The Corporation's employees and directors regularly engage in a variety of continuing education activities, including but not limited to: industry and investment conferences and events; educational courses, webinars and podcasts; and regulatory and economic updates. The majority of employees, officers and directors hold one or more professional designations and are active members within their respective professional regulatory bodies which provide continuing professional development resources, events and seminars, including mandatory professional development requirements (including professional ethics education for chartered professional accountants). In addition, Messrs. Davidson, Gordon, Larke and Ms. Harris have earned the Institute of Corporate Directors (ICD.D) designation.

2025 Director Continuing Education

The table below summarizes the continuing professional development initiatives undertaken by directors during 2025, summarized by focus area.

Focus Area	2025 Aggregate Director Hours	Attendees
Investor Relations and Stakeholder Engagement	395	Tanya Causgrove, Brian G. Robinson, Michael L. Rose, Marty Staples, Steve Larke
Current Events and Market Intelligence	76	Tanya Causgrove, Jim Davidson, Darlene Harris, Steve Larke, Brian G. Robinson, Michael L. Rose, Marty Staples
Professional Ethics	21	Darlene Harris, Brian G. Robinson, Marty Staples, Tanya Causgrove, John Gordon
Climate-Related Risk Management or ESG certification/designation	10	Steve Larke, Darlene Harris, John Gordon
Cyber, Information System Security or Technological Innovation	9	Steve Larke, Marty Staples
Professional or Regulatory Technical Education	67	Tanya Causgrove, Jim Davidson, John Gordon, Darlene Harris, Steve Larke

Business Conduct

Code of Business Conduct and Ethics

The board has adopted a code of business conduct and ethics that encourages and promotes a culture of sound, ethical and responsible business conduct, acceptable and responsible computer use and the highest levels of personal integrity. Topaz's code of business conduct and ethics applies to all directors, officers, employees and consultants of Topaz, as well as to the Corporation's partners, vendors, suppliers and stakeholders, in the context of business dealings with Topaz. The code of business conduct and ethics formalizes Topaz's zero-tolerance policy which prohibits bribery, corruption, extortion, money laundering, embezzlement, illicit payments, payments to officials, and political lobbying activities and contributions. Topaz's employee, contractor and director onboarding procedures set out Topaz's ethical standards requirements in accordance with our code of business conduct and ethics. All directors, officers, employees and consultants must certify written understanding of, and compliance with the code of business conduct and ethics on an annual basis. In addition, Topaz's primary partners, suppliers and vendors are required to read and attest to their understanding of and compliance with equivalent policies, including the vendor code of business conduct and ethics. The Company's vendor code of business conduct and ethics requires Topaz's partners, vendors and suppliers to adhere to the Company's values, including as it pertains to health and safety, ethical business conduct, anti-corruption, labour issues and human rights, conflicts of interest and environmental leadership.

Topaz's GC&S Committee is responsible for the oversight of compliance with all codes and to recommend improvements as deemed necessary or appropriate. The code of business conduct and ethics, vendor code of business conduct and ethics and transparency policy can be viewed on the Corporation's website at www.topazenergy.ca.

Complaints or concerns may be communicated through the Corporation's third-party anonymous whistleblower hotline, pursuant to Topaz's whistleblower policy. To date, Topaz has not received any complaints or concerns, nor been required to file a material change report that pertains to issues arising in relation to Topaz's code of business conduct and ethics, including any issues related to conduct of a director or executive officer of Topaz that constitutes a departure from the code of business conduct and ethics.

Computer Systems and Security

Topaz's approach on identifying and mitigating computer and information security risks is to invest in sophisticated network protection and user training and prevention education. Topaz provides computer systems and security training and resources to executives, employees, consultants and as required, directors; educational resources and cybersecurity reference manuals; and access to professional IT service providers. Topaz has policies in place to govern use and safeguarding of electronic data and systems ("Acceptable Use Policy"). Topaz has also established a cybersecurity incident response framework which includes its Security and Information Management Policy and Security Incident Response Plan. Together these provide detailed information for users to understand the network systems in place, what is required and who to contact in the event of a cybersecurity incident. Topaz has information security insurance in place and works together with its insurers and recommended IT service firms to continually update its practices and policies. To date the Corporation has not experienced any significant computer security incidents. Senior management holds mandatory IT training and awareness sessions for all employees on a quarterly basis and new

employees complete mandatory IT training education modules. To date, Topaz has not adopted artificial intelligence ("AI") in any of its business processes, however the Company's policies outline requirements to ensure that corporate information is safeguarded and prohibits any AI use that could contravene the Corporation's corporate governance policies. Management provides an update to the audit committee in regard to computer systems and security issues on a quarterly basis.

Disclosure, Confidentiality and Trading Policy

Topaz's disclosure, confidentiality and trading policy extends to all Topaz directors, officers, employees, consultants and third parties and applies to both written and oral communication. All directors, officers, employees and consultants must certify compliance with the policy on an annual basis. The policy documents the disclosure controls and procedures of Topaz and aims to promote an understanding of the legal requirements applicable to Topaz and the Disclosure Committee, which is comprised of the CEO, CFO and at least one member of the board. The Committee has the responsibility to monitor compliance and to recommend improvements as deemed necessary or appropriate. The disclosure, confidentiality and trading policy can be viewed in its entirety on the Corporation's website at www.topazenergy.ca.

Complaints or concerns may be communicated through the Corporation's third-party anonymous whistleblower hotline, pursuant to Topaz's whistleblower policy. To date, Topaz has not received any complaints or concerns, nor been required to file a material change report that pertains to issues arising in relation to a departure from disclosure, confidentiality and trading policy.

Environment, Health and Safety Policies

The Corporation's environment, health and safety policies are provided in our Environment, Human Rights and Health & Safety Policy, available on our website at www.topazenergy.ca. The policy provides the initiatives we focus on to demonstrate our commitment to environment, health and safety matters. Although Topaz does not directly operate any oil and gas properties, facilities or related assets, nor is Topaz responsible for abandonment or reclamation obligations attributed to its royalty assets, Topaz's strategy is to partner with operators demonstrating financial strength and scale to support operational performance. Topaz's investments and partnerships are guided by our sustainable investment strategy whereby Topaz conducts due diligence and evaluation procedures to ensure our investments and partnerships meet our strategic objectives. Our goal is to conduct our business in a manner that visibly demonstrates our commitment to our sustainable investment strategy and management of our own carbon footprint.

Sustainability-Related Initiatives

Topaz does not conduct oil and gas operations therefore is not responsible for the emissions or abandonment obligations associated with oil and gas production. Topaz is committed to up-holding and improving its environmental profile and does so using disciplined ESG-integrated investment criteria.

The GC&S Committee, which is comprised of independent directors, is responsible for sustainability-related matters and reports to the board. Officers report on sustainability matters on a quarterly basis that includes strategic planning; regulatory updates; and compliance, progress and updates with respect to Topaz's sustainability commitments and targets as well as monitoring disclosure by our strategic partners. Our directors and officers regularly participate in continuing education initiatives that include a focus on sustainability-related political, economic, industry and social trends; changes to regulatory frameworks; technological advancements; and climate risk management.

Additional information relating to sustainability-related initiatives can be found in our sustainability report which is available on our website at www.topazenergy.ca.

Stakeholder Engagement Policy

Topaz believes in the importance of open and constructive communication with our stakeholders, with a focus on our shareholder and community engagement initiatives. Topaz's extensive shareholder communication program includes senior management attending investor conferences and roadshows, which includes company presentations and hosting one-on-one shareholder meetings, to discuss and further explain public information regarding Topaz, and our corporate and sustainability strategy. In addition, Topaz communicates with its shareholders through a variety of mediums including our website, annual and quarterly financial reports, quarterly conference calls, annual information forms, sustainability reports, news releases, investor presentations, industry conferences, and other stakeholder and community events. Topaz also holds quarterly conference calls or webcasts which are open to all shareholders. Topaz's regulatory filings are accessible through the SEDAR+ website at www.sedarplus.ca and Topaz's website at www.topazenergy.ca that provide extensive information about our company, our corporate governance foundation and corporate strategy, including all investor communication and financial materials.

The board of directors communicates directly with shareholders annually through the management information circular and the annual meeting of shareholders. We also encourage shareholders to engage with Topaz representatives on relevant matters as communication with shareholders is a key part of our governance. Comments, questions or inquiries can be directed to 1-866-716-7473 or you can write to the Chair of the Board or the Lead Independent Director via our external legal counsel's address: c/o Topaz Energy Corp., 2400, 525 - 8th Avenue SW Calgary, Alberta T2P 1G1.

Topaz is committed to the highest standards of professional and ethical conduct, openness, honesty and accountability. The transparency, honesty and integrity and accountability of Topaz's financial, administrative and management practices are vital as they guide the decisions of the board of directors of Topaz and are relied upon by our shareholders, financial markets and other stakeholders. For these reasons, Topaz has cultivated an environment where individuals can confidentially and anonymously report complaints and concerns regarding questionable business practices or conflicts of interest without the fear of victimization, discrimination, harassment or disadvantage. This requires a program by which the appropriate body can receive, retain and investigate all reports of complaints and concerns regarding professional and ethical conduct and related matters set forth in Topaz's Code of Business Conduct and Ethics and corporate governance policies including its Disclosure, Confidentiality and Trading Policy, Related Party Transaction Policy, Environment, Human Rights and Health & Safety Policy and its Stakeholder Engagement Policy. Topaz's Whistleblower Policy is in place for employees, management, officers, directors, contractors, consultants, vendors, customers and any other stakeholder of the Corporation. Topaz provides several means of contact information within the policy, mail, telephone or post. This includes a 24/7, telephone line available in multiple languages for issues to be reported on an anonymous basis. Topaz policies further detail the protections afforded to complainants whereby Topaz prohibits discrimination, harassment or abusive retaliatory behavior.

Topaz's community engagement initiatives include financial support and volunteer participation which are focused on (i) promoting healthier and more sustainable communities, (ii) supporting educational opportunities and (iii) fostering employee engagement in the community. Further details on the initiatives supported by the Company are discussed in Topaz's annual sustainability reports.

Assessing the Board and Committees

The GC&S Committee is responsible for reviewing and reporting to the board on an annual basis its assessment of the performance of the board, its committees and the basis of its evaluation, as well as individual director skills, performance and independence. This information is used to assess the effectiveness of the board as a whole and recommend steps which may be taken to improve effectiveness.

Annual Director Assessment

The board and committees are assessed annually, through an anonymous and confidential directors' questionnaire ("Questionnaire") and board effectiveness interviews. The Questionnaire is administered by Topaz's external corporate counsel, for confidentiality and anonymity purposes, and interviews are conducted by the Lead Independent Director together with the chair of the GC&S Committee. Evaluation topics pertain to the operation, independence, effectiveness and governance of the board, resources and information available to the board, planning and budgeting processes, orientation and continuing education, committee independence and effectiveness, board, committee and management communications, chair and committee performance, diversity, and disclosure. Both tools include an opportunity to evaluate peers, through which the directors can independently evaluate director effectiveness in areas such as communication skills, dedication to the board, understanding of Topaz's business and risks and, if applicable, committee contributions and effectiveness. A summary of the evaluation results is presented to the board, who can make recommendations for further action, as required.

Retirement Policy Applicable to Directors and Director Term Limits

Topaz became a public company in 2020 and as such, a retirement policy applicable to directors of Topaz has not yet been adopted. At this time, the GC&S Committee believes that term limits are not yet required. The GC&S Committee's viewpoint is that Topaz remains a relatively new public company, and furthermore, tenure limits can arbitrarily restrict experienced board members from service and that it can be important to ensure that valuable insights into Topaz's operations, history, and policies are available through the contributions of some longer tenured directors. The GC&S Committee is also of the view that director performance issues are sufficiently addressed through the board's annual director assessment processes. The GC&S Committee continues to review these measures and their applicability to Topaz.

Human Rights Initiatives

The board is committed to the Corporation's responsibility to honor the fundamental rights and freedoms of our employees and provide a safe, equal opportunity workplace where discrimination, harassment and abuse are strictly prohibited. Topaz's Environment, Human Rights and Health & Safety Policy outlines: how Topaz provides and maintains a respectful workplace which includes employee training and continuing education, altogether focused on protecting human rights and providing equal opportunity from a race, gender, nationality, ethnicity, language, or other status deemed relevant; how Topaz ensures the health and safety of our employees, executives, directors and contractors; our business activities with partners, vendors and suppliers; and our relationships with stakeholders. Topaz supports the rights and freedoms enshrined in the United Nations Universal Declaration of Human Rights, amongst other global frameworks, and expects that its partners, vendors and suppliers also uphold the protection of human rights. The policy is available on our website at www.topazenergy.ca.

Shareholder Advisory Vote on our Approach to Executive Compensation

A key principle underlying our executive compensation is 'pay for performance'. We have designed a compensation plan linked with strategy and corporate performance to attract, retain and appropriately motivate the key employees who drive shareholder value creation over the long-term.

Shareholders will have the opportunity to vote for or against our approach to executive compensation. See *"Matters to be Acted Upon at the Meeting – Vote on our Approach to Compensation"*. Effectively, this gives shareholders a "say on pay". This is an advisory vote, so the results will not be binding on the board. The board will, however, consider the outcome of the vote as part of its ongoing review of executive compensation.

The resolution to accept the Corporation's approach to executive compensation was approved by Topaz's shareholders with a vote of 79.55% represented at Topaz's 2025 annual meeting of shareholders. Due to Topaz's business structure, which is primarily comprised of carve-out gross overriding royalties and non-operated infrastructure assets, Topaz expects to maintain its extremely low total headcount relative to its peers.

Topaz's total executive compensation is targeted at the median of the Compensation Peer Group (as described in this circular), with a higher proportion of compensation weighted toward variable pay, pay-at-risk and performance-based equity incentive compensation. Given Topaz's unique, hybrid royalty and infrastructure business, Topaz screens for peer energy companies based on market capitalization, enterprise value, leverage and cash flow. Topaz has considered using revenue as a financial screening metric however energy company revenue is not representative of companies that Topaz competes with for talent given Topaz's superior cash flow and free cash flow (FCF) margins relative to E&P companies. Topaz's cash flow is significantly higher than energy companies with similar levels of revenue due to Topaz's minimal cost exposure relative to operating E&P companies. In addition, the scope and complexity of Topaz's executive roles differ from energy companies with similar levels of revenue to Topaz, given the scope and breadth of Topaz's shareholder base. In example, due to the significance of Topaz's market capitalization and enterprise value, Topaz's shares have been included in key stock exchange indices including the S&P/TSX Composite Index, the S&P/TSX Low Volatility Index, amongst other well-known indices on the Financial Times Stock Exchange ("FTSE"), whereas energy companies with similar size of revenue to Topaz are not significantly sized from a market capitalization or enterprise value perspective to be included in similar indices.

The aggregate number of Common Shares reserved for issuance under all share-based compensation plans of the Corporation shall not exceed 10% of the issued and outstanding Common Shares from time to time (5% in the case of the presently inactive Share Option Plan), which is consistent with applicable stock exchange regulations. Topaz's GC&S Committee expects that Topaz's annual grant rate, annual burn rate and total utilization of the aggregate reserve will be significantly lower than the Corporation's peers as a result of its unique business structure, low headcount and limiting features within the STIP and LTIP. See "*Annual Burn Rate under Executive Equity-Based Compensation Plans" and "Inactive Share Option Plan" and "Equity-Based Compensation Plan Dilution and Annual Grant Rate"* in this circular.

The GC&S Committee and the board will continue to review and analyze the results of the advisory vote on our approach to executive compensation and consider all shareholder feedback related to executive compensation matters and

analyze the results of the advisory vote. To facilitate questions and comments from shareholders, you can communicate with the GC&S Committee directly by writing to them at our head office address.

Nomination of Directors and Directors' Skills Matrix

The Board regularly reviews the collective skills and experience provided by its board through a combination of the Questionnaire, board effectiveness interviews and strategic discussions and meetings throughout each year. The selection of candidates for appointments to the Board is based on merit and establishing a Board that best enables Topaz to execute its strategic objectives and mitigate risks and capitalize on opportunities. Within that overriding emphasis on merit, the GC&S Committee shall seek to expand and further diversify its board by considering candidates that bring a diversity of background and industry or related expertise and experience to the Board. In determining whom to recommend as board nominees or if new candidates are required, the GC&S Committee, which is comprised entirely of independent directors, annually reviews the overall effectiveness and independence of the board and undertakes a search in the event that a new or additional board member is required.

2025 Directors' Skills Matrix

The table below presents skills, as applicable to Topaz's business, whereby each director possesses working knowledge and skills or relevant experience for each category listed below.

Skill	Rose	Staples	Causgrove	Davidson	Gordon	Harris	Larke	Robinson
Executive Leadership & Strategy	√	√	√	√	√	√	√	√
Enterprise Risk Management	√	√	√	√	√	√	√	√
Value Creation	√	√	√	√	√	√	√	√
Sustainability including Environment, Social and Governance ("ESG") and Climate-Related Issues	√	√	√	√	√	√	√	√
Oil & Gas Operations Understanding	√	√	√	√	√	√	√	√
Compensation, Human Resources, Health & Safety and Human Capital Management (including diversity, equity and inclusion)	√	√	√	√	√	√	√	√
Financial Literacy, Accounting and Tax	√	√	√	√	√	√	√	√
Legal, Regulatory, ESG and Governmental	√	√	√	√	√	√	√	√
Business Development	√	√	√	√	√	√	√	√
Technical Oil and Gas Understanding	√	√	√	√	√	√	√	√
Understanding of Reserves for Economical Evaluation	√	√	√	√	√	√	√	√
Information Systems, Cyber Security, Artificial Intelligence and/or Risk Management	√	√	√	√	√	√	√	√

New Director Search Process

The GC&S Committee acts as a nominating committee and considers gaps in the board's composition, expertise or effectiveness, prior to seeking new candidates for board membership. The GC&S Committee also considers the potential need for a more diverse group of directors over time, from perspectives such as gender, age, and ethnicity, in accordance with Topaz's board and executive officer diversity policy. A proposed candidate profile is then prepared which includes specific attributes that candidates should possess. The GC&S Committee considers engaging outside consultants to assist in identifying prospective board candidates that possess the specific attributes identified. The committee also invites current board members, including the current President & Chief Executive Officer, to provide nominees for the position based upon the profile. The GC&S Committee then compares the skill sets, expertise and backgrounds of the nominees to the identified gaps. Each nominee's achievements, experience, independence, and integrity are also considered by the GC&S Committee, in addition to the existing commitments of a nominee, to ensure that such nominee will be able to fulfill his or her obligations as a board member.

Following the completion of the GC&S Committee's review process, the committee then provides its recommendations to the board of directors. The board, considering the GC&S Committee's recommendations, determines the individuals to be recommended to shareholders to serve as directors, or, in the event a director is appointed between annual shareholders' meetings to fill a vacancy, the board ultimately determines whom to appoint.

Board Diversity Policy

The Board and the Corporation are committed to ensuring a diverse and inclusive culture across the organization, including at the executive level, by promoting equality of opportunity. This commitment includes maintaining and increasing the representation of women and visible minorities on the Board as turnover occurs, taking into account our skills matrix and the skills, background and knowledge desired at that particular time to ensure the Board's effectiveness. The Board also encourages and supports the Corporation in its efforts, including seeking external independent advisory services as appropriate, to foster a diverse, collaborative and innovative workforce.

The GC&S Committee's nomination considerations include achieving an appropriate level of diversity having regard to factors such as skills, business and other experience, education, gender, age and race/ethnicity. Women candidates and directors of different racial or ethnic origin, disability status, veterans and 2SLGBTQ+ are included in the evergreen list of potential Board nominees. Topaz is committed to improving gender and visible minority diversity and equality and are also committed to Indigenous reconciliation efforts as we believe our continued success relies on the ability to build and maintain relationships with Indigenous communities where our strategic partners have operations. All Topaz employees and directors have completed Indigenous cultural awareness training.

The Board believes that the appointment of directors should be made based on each candidate's experience, knowledge, education, management capabilities and competency, and how those factors would supplement or potentially duplicate the combined experience and competencies of the existing board. Furthermore, the Board considers the effect of the appointment on the diversity of the Board and Corporation as a whole. Topaz's Board believes that diversity of thought, competencies, experience, gender and background assist in our decision-making processes and strategic execution, through facilitating a broader understanding of our business environment, risks and opportunities, and enabling strong problem-solving capability.

From a gender perspective, the proposed board is comprised of two women and six men (or, in other terms, 25% women). Topaz remains committed to further diversification of the members of its board. This commitment is embedded into Topaz's diversity policy which is available on the Corporation's website at www.topazenergy.ca. This policy contains Topaz's overriding diversity, equity and inclusion policies as well as Topaz's commitment to achieve or maintain at least 30% representation by women on the board and executive team. Our sustainable investment strategy is dependent on the strength, expertise and continued development of our team. We are committed to fostering a strong and committed workforce by providing an inclusive work environment that promotes diversity, collaboration, and fosters professional development, demonstrated by the executive team being 50% women, managers being 50% women, and the total workforce being 54% women. Together, our executive team, GC&S Committee, and Board of Directors shares responsibility and accountability for diversity and inclusion across our workforce and board.

From a competency perspective, the proposed board represents a broad range of experience and competencies, and each has significant experience in the skillsets we have determined that are most critical for Topaz to identify risks and opportunities and successfully execute our corporate strategy. As further described above, Topaz is committed to continually expanding the gender and racial and ethnic diversity of our board, with a focus on complementary, diversified skillsets that would enhance the board.

3. Executive and Director Compensation

Executive Compensation Discussion and Analysis

This section describes Topaz's executive compensation program. It includes information relating to our philosophy and approach to executive compensation, the methodologies and market research we use in determining compensation, as well as actual compensation paid to Named Executive Officers for their performance.

Named Executive Officers

For 2025, Topaz's Named Executive Officers are the CEO and CFO as listed below. Topaz did not have any other executive officers, nor did any employees act in a similar capacity during the year:

- Marty Staples, President & Chief Executive Officer
- Cheree Stephenson, Vice President, Finance & Chief Financial Officer

Board of Directors Oversight and Governance of Compensation

To oversee our compensation practices, our board has established the GC&S Committee, comprised solely of independent directors as defined by National Policy 58-201 – Corporate Governance Guidelines.

During 2025, the Committee was comprised of Ms. Darlene Harris (Chair), Mr. Steve Larke and Mr. John Gordon, all of whom are experienced with respect to executive compensation as set forth under the heading *"Director Profiles"* in this circular. Ms. Darlene Harris has significant experience in the areas of risk management, pension management, corporate governance and talent management, which includes experience in the areas of compensation and human resources practices.

Governance, Compensation and Sustainability Committee Mandate

With respect to compensation, the GC&S Committee reviews and approves the Corporation's compensation philosophy and remuneration policies for officers and employees of the Corporation and recommends to the board changes to improve the Corporation's ability to recruit, retain and motivate employees. The Committee reviews and approves Topaz's strategic goals and objectives and has established a compensation program that is tied to the corporate goals and objectives. The GC&S Committee evaluates executive performance in light of those corporate goals and objectives and determines and recommends executive compensation based on such evaluation. The evaluation includes reviewing risks facing the Corporation and recommending mitigation strategies to manage such risks.

Based on recommendations approved by the GC&S Committee, the board approves compensation paid to the CEO and CFO.

Compensation Philosophy

The board recognizes that the Corporation's success is dependent on its ability to attract, retain and motivate superior performing executives and employees, which requires an appropriately structured and executed compensation program. The Corporation's compensation policies are founded on the principle that executive and employee compensation should focus on a pay-for-performance approach to align with the long-term interests of Topaz shareholders. The Corporation's compensation plans are therefore intended to encourage decisions and actions that will result in the Corporation's growth and in the creation of long-term shareholder value, while specifically not rewarding excessive risk-taking by executives or employees. In determining the compensation to be paid to executive officers, the Committee considers corporate and individual achievements, comparative market data, the unique nature of the Corporation's business and other relevant information.

In 2025, Topaz's executive compensation structure was comprised of base salary, participation in the Corporation's employee share savings plan, short-term annual incentive plan ("STIP"), and long-term equity incentive plan ("LTIP") through participation in the Corporation's PSU Plan. The board of directors has approved an STIP and LTIP evaluation methodology to link objective measures strongly aligned with shareholder interests to executive compensation. STIP awards are payable in cash, or at the executive's option, may be payable in an equal proportion of cash and equity whereby the equity component garners an incentive and is subject to a two-year contractual hold. LTIP incentives awarded through the Corporation's PSU Plan vest based on three-year average performance measures, further linking compensation to long-term corporate performance. LTIP incentives awarded through the Corporation's presently inactive Share Option Plan were granted during the Corporation's initial years, based on individual and corporate performance, and given they vest equally over three years, provided a form of LTIP compensation during the formative years of the Corporation prior to the PSU Plan being established. No stock options have been granted during 2023, 2024 or 2025. See "*Inactive Share Option Plan*".

Short-Term Incentive Plan (“STIP”)

The GC&S Committee establishes its short-term performance goals to link achievement of objective measures with incentive compensation. The GC&S Committee believes that variable incentive or ‘‘at-risk’’ compensation motivates individual performance and aligns performance with the Corporation’s objectives and shareholder interests. For executives, STIP awards are weighted 80% to corporate performance and 20% to individual performance. At the election of the executive, STIP awards are payable in 100% cash, or 50% cash and 50% equity, whereby the equity component garners an incentive and is subject to a two-year contractual hold. The Corporation believes the equity incentive promotes Common Share ownership and provides further alignment with shareholders.

Determination of STIP Awards

At the end of each year, the GC&S Committee evaluates Topaz’s performance relative to expected ranges for pre-determined financial metrics and reviews a backward-looking evaluation of a broad range of qualitative and quantitative metrics, taking into consideration information that could not be known when the GC&S Committee established expectations for the fiscal year. The overriding focus of the evaluation is to assess Topaz’s execution of strategic objectives in response to changes in market dynamics, including acquisition activity, commodity prices and market factors, sustainable shareholder value creation and shareholder returns, risk management, business development due diligence and market intelligence initiatives, shareholder engagement initiatives, executive leadership and commitment, human capital development, ESG integration and reporting, and asset portfolio performance. Recommended STIP awards, based on individuals’ contribution, effort and performance toward the Corporation’s strategic objectives, are presented to the GC&S Committee for review, revision and approval. STIP awards are based on the results of the performance evaluation, board discretion and peer compensation.

Long-Term Incentive Plan (“LTIP”)

The GC&S Committee establishes its long-term performance goals to link achievement of objective long term measures with long term incentive compensation. The GC&S Committee completes an annual performance evaluation of pre-determined objective measures to guide LTIP executive compensation. Significant under or over performance may result in LTIP awards that range as low as 0% (for corporate performance significantly below expectation) and as high as 200% (for corporate performance exceeding expectation). The GC&S Committee believes that variable incentive or ‘‘at-risk’’ compensation motivates individual performance and aligns performance with the Corporation’s objectives and shareholder interests. LTIP awards are weighted 100% to corporate performance.

The GC&S Committee believes that the PSU Plan, whereby PSU grants vest based on three-year average performance measures and are payable after three years in cash or equity, at the Company’s option, provide long-term compensation to incentivize sustainable, reliable corporate performance, strongly aligned with the interests of Topaz’s shareholders. Furthermore, the PSU Plan is designed to attract, retain and appropriately motivate the key employees who drive sustainable shareholder value creation.

Determination of LTIP Awards

Corporate performance is determined by the GC&S Committee through evaluation of pre-determined objective metrics over the three-year (average) performance period. The pre-determined metrics, established in the fourth quarter of the year preceding the three-year performance period include return on invested capital and absolute and relative equity performance. The GC&S Committee also considers execution of the Corporation’s strategic objectives. Executive LTIP incentive grants are based on peer compensation and board discretion, taking previous grants into consideration. The GC&S Committee determines the performance multiplier for vested LTIP grants based on the scorecard performance evaluation for the respective performance period.

Executive Compensation Framework

The principal components of the Corporation's compensation structure are as follows:

- Total compensation targeted at the median of the Compensation Peer Group (as described in this circular), with a higher proportion of compensation weighted toward variable pay and pay-at-risk. Over 80% of the NEO's pay composition is considered "at-risk" and consists of long-term and short-term incentives;
- The Corporation provides an employee share savings plan ("ESPP") which demonstrates attention to equity ownership, through which Common Shares are purchased, and executive and employee contributions are made on a two to one basis by the Corporation up to a maximum of 7% of the individual's base salary. The Corporation's culture of share ownership is demonstrated by 100% participation in the plan.[(1)] The ESPP encourages long-term ownership without increasing stock dilution, as the Common Shares are purchased in the open market by a third-party firm. The plan not only enhances employee retention but also provides for a compensation package that is in-line with peers and further promotes alignment of long-term interests between employees and shareholders. Common Shares purchased using the employer's contribution are subject to a one-year hold period from the contribution date. The independent directors are not eligible for participation in the ESPP;
- The GC&S Committee establishes its short and long-term performance expectations prior to the beginning of respective performance measurement period to ensure that achievement of such expectations is based upon objective measures and when the expectations are established, there is sufficient uncertainty as to effectively motivate performance;
- STIP award performance evaluations include fulsome backward-looking evaluations to consider market factors, equity performance, achievement of the Corporation's strategic objectives, and individual contributions from the CEO and CFO, with an overriding focus on sustainable shareholder value creation. Due to the dynamic nature of Topaz's acquisition growth business model, this approach ensures that key individuals are motivated and retained; and
- Topaz does not currently have employment agreements with its NEOs. The GC&S Committee views this as being effectively a "double-trigger" compensation structure as they do not benefit from pre-determined severance payments in the event of a change of control and/or loss of position.

The GC&S Committee's objective is to ensure that the compensation of the NEOs is competitive with comparable sized peers that the Corporation competes with for talent, to attract and retain appropriately qualified individuals from both a base compensation level as well as to provide appropriately linked short and long-term incentive compensation to provide total compensation that is strongly aligned with the interests of Topaz's shareholders.

Note:

(1) The Corporation does not have a pension plan for its executives or employees.

Dedicated Compensation Committee Comprised of Independent Directors

The board has created a separate, independent, and engaged committee with the necessary skills, knowledge and experience to make methodical and sound decisions as they relate to compensation. The GC&S Committee's risk management practices ensure that the Corporation's compensation plan encourages and rewards the right behavior.

Compensation Governance Practices and Structure Reflects Responsibilities and Compensation Risk of Executive Officers

The key features of the Corporation's compensation structure are base salary, annual cash bonuses and equity incentive compensation, which are important individually, and when taken together, demonstrate the GC&S Committee's commitment to strong governance, risk management, shareholder alignment and pay-for-performance philosophy. The compensation structure for the executive officers is strongly weighted to variable pay and at-risk compensation, which reflects their responsibilities and overall impact on corporate performance.

Share Ownership Guidelines

The Board encourages share ownership for executive officers and directors and has developed guidelines to align the long-term interests of the executive team and directors with those of shareholders. Guidelines for all executive officers of the Corporation require that they accumulate Common Shares representing at least an amount equal to three times their

base salary (valued using the greater of: (a) the market value of the shares or (b) the initial price paid for the shares). Vested and unexercised Options and PSUs will not be included in the calculation, only Common Share ownership. Shares must be owned or controlled by the executive officer and the share ownership must not include shares issuable pursuant to equity-based incentive compensation, nor may derivatives or financial instruments be used to reduce exposure to changes in the value of the Common Shares. Guidelines for all directors of the Corporation require that they accumulate Common Shares or DSUs representing at least an amount equal to three times their base retainer (valued using the greater of: (a) the market value of the shares or DSUs or (b) the initial price paid or granted for the shares or DSUs, respectively). Vested and unexercised Options will not be included in the calculation, only Common Share and DSU ownership. Any new executive officers or directors will have three years to accumulate the required ownership and they must show an increase in holdings every year until the requirement is met. In the event a participant's target is increased, a further two-year period is provided to meet the new share ownership target.

As of the date of this circular, each NEO meets or exceeds the Common Share ownership requirements of the Corporation. The following table sets forth the beneficial ownership of Common Shares held directly and indirectly by each of the NEOs as at December 31, 2025. The value of Common Shares set forth below is based on the closing price of the Corporation's shares on December 31, 2025.

Name and principal position	Number of Common Shares held (#)	Value of Common Shares held[1] ($)	Ownership (multiple of base salary) (x)	Share ownership requirement (3.0x base salary) ($)	Share ownership requirement met (Yes/No)[2]
Marty Staples President & CEO	441,944	$12,171,138	21x	$1,770,000	Yes
Cheree Stephenson VP Finance & CFO	341,999	$9,418,652	19x	$1,455,000	Yes

Notes:

(1) Represents the value of the Common Shares held using the closing price of the Common Shares on the TSX on December 31, 2025 of $27.54. The closing price of the Common Shares on the TSX on March 20, 2026 was $32.18. All of the NEOs meet the share ownership requirements at either price.

(2) Guidelines for all executive officers of the Corporation require that they accumulate Common Shares representing at least an amount equal to three times their base salary. See *"Share Ownership Guidelines"* in this circular.

Speculative Hedging Prohibited

The Disclosure, Confidentiality and Trading Policy contains an "anti-hedging prohibition" which provides that directors, officers and employees of the Corporation are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Corporation's prospects. Such prohibited speculative transactions include the use of puts, calls, collars, spread bets, contracts for difference, engaging in short selling (i.e. selling securities not owned or not fully paid for) and engaging in speculative hedging activities of any kind.

Change of Control Contracts

Topaz does not currently have employment agreements with its NEOs, nor any contractual guarantee for any future salary increases, bonuses or equity compensation. Topaz's GC&S Committee considers the absence of contractual change of control contracts as being effectively a "double trigger" change of control mechanism as the NEOs do not benefit from pre-determined severance payments in the event of a change of control and/or loss of position.

Overlap of Board Committees

Overlap of Board Committee members help to provide context in terms of compensation risk management; Board members who are not part of the Committee are invited to provide input when needed as well as attend Committee meetings to which they are not members of.

Executive Compensation Recoupment (Claw-Back) Policy

As part of its compensation risk mitigation practices, the Company has a claw-back policy that provides the Board with the discretion to cancel unvested incentive awards and/or "claw back" vested and/or paid incentive awards, as applicable, in situations where the Board determines an executive engaged in gross negligence, intentional misconduct, fraud or other serious misconduct (which includes, but is not limited to, dishonesty or a breach of Company policy to the material detriment of the Company's business or reputation and any conduct that would qualify as cause for termination of employment at common law) irrespective of whether there was a financial restatement. Further, compensation paid to executive officers of the Corporation is subject to repayment if financial results, which were the basis for the payment of such compensation, were subsequently restated and it is determined that willful misconduct or fraud caused or significantly contributed to the restatement.

Employee Engagement and Turnover

Since Topaz's initial public offering in October 2020, Topaz has expanded its workforce from two individuals to 13 (total executives and employees). Topaz performs an annual employee engagement assessment whereby 100% of its workforce is invited to participate in an anonymous employee engagement survey. For fiscal 2025, 100% of the workforce participated in an anonymous employee engagement survey whereby 100% collectively reported high engagement and satisfaction. Management hosts industry experts and provides educational sessions to all, or a majority of employees, given the small size of the workforce.

Employee Health and Well-Being

Topaz is committed to honoring the fundamental rights and freedoms of our employees and providing a safe, equal opportunity workplace whereby any discrimination, harassment or abusive behavior are strictly prohibited, as provided in our Environment, Human Rights and Health and Safety Policy. Topaz ensures that all employees receive compensation that significantly exceeds the prescribed minimum living wage in our jurisdiction and that is commensurate with their experience and education. Discrimination is further prohibited within Topaz's equal opportunity and pay strategy whereby any form of discrimination (including age, disability, ethnic origin, family status, race, religion, gender, sexual orientation, and social origin) is prohibited from impacting recruitment, job assignment, promotion, remuneration, compensation, paid sick or vacation time and employee benefits. This is built upon compliance with, oversight and approval at the executive level. All Topaz employees receive paid sick and vacation time, parental leave and other paid medical health and wellness benefits and are eligible for the Corporation's employee share savings plan.

Topaz recognizes the importance of balancing family and work commitments and accommodates parental leave and family commitments, as required, by providing time off, hybrid and/or flexible work arrangements where possible. This includes accommodation, where applicable, for staff to work remotely if short-term family or health situations place additional strain on working in the office. Topaz provides a wide variety of flexible work arrangement strategies to meet individual employees' needs and family responsibilities to enable an appropriate balance of work and personal matters. These include part-time, full-time or contract employment arrangements, alternative working hours during seasonal periods to align with school schedules, alternative daily working hours, compressed work weeks, flex time or work from home allowances to accommodate sick children unable to attend school or day care, medical appointments or other individual requirements, and flex time to participate in volunteer activities. These commitments include providing adequate computer systems and security to maintain Topaz's computer security requirements from remote locations, which are further described within Topaz's internal acceptable computer use policies and procedures.

Diversity, Equity and Inclusion

Topaz maintains an inclusive work environment and diverse workforce that is focused on equality, inclusion, collaboration, and professional integrity. Topaz is committed to hiring and advancing the development of people across all genders, ethnicity, race, nationality, or any other status. Topaz is focused on building and further developing its workforce, which senior management believes will facilitate a stronger understanding of our business environment, increase our ability to identify risks and opportunities and allow us to enhance our ability to creatively solve problems. Our workforce is comprised of seven women and six men (or, in other terms, is 54% women) and collectively represents 8% ethnic diversity. Our executive team is comprised of one woman and one man (or, in other terms, is 50% women). Topaz's diversity, equity and inclusion strategy is to hire, advance and develop personnel based on each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of appointment or advancement on the diversity of the Corporation and maintaining the inclusive environment within the Corporation as a whole.

Human Capital Development

The Corporation's employees and executive officers regularly engage in a variety of professional development activities, many of which are provided through employees' respective professional regulatory bodies which provide events and seminars, and continuing education (including minimum thresholds focused on education and ethics for chartered professional accountants). Topaz provides onboard training to new staff and provides, supports and encourages continuing education for all staff. Topaz management regularly hosts industry experts to present educational sessions which are attended by all, or a majority of employees given Topaz's relatively small workforce (thirteen total employees at December 31, 2025). These sessions cover a broad range of topics including but not limited to: cyber security, ethics, commodity market updates, sustainability and emissions reporting, Indigenous awareness, community social issues, and mental health awareness. In 2025, Topaz employees volunteered to support not-for-profit social issues in the community, attended ethics and quarterly cyber security training and furthered their education through a broad range of professional development initiatives.

Corporate and Compensation Risk Management

The board has overall responsibility to establish or cause to be established systems to identify the principal risks to Topaz and ensure that the best practical procedures are in place to monitor and mitigate the risks. The board's risk oversight process builds upon management's risk identification assessment and mitigation processes; which include but are not limited to reviews of long-term strategic and financial planning; code of business conduct and ethics compliance; regulatory compliance; and financial reporting and controls. The GC&S Committee assists the board by reviewing risks facing the Corporation relating to executive and employee compensation matters and recommending mitigation strategies to manage such risks.

Topaz's board of directors has ultimate responsibility for the oversight of the organization's risk management function. The board has delegated its responsibility for risk management oversight in relation to compensation policies and practices to the GC&S Committee. Topaz's compensation framework incorporates several elements that are intended to ensure that inappropriate or excessive risk–taking is not encouraged, including the following:

1. **Formal Approval Process:** Topaz follows a formal process for making executive compensation decisions. After a comprehensive review by the GC&S Committee, pay recommendations are considered and must be approved by the board. No individual, or group of individuals, has undue influence on the determination of executive compensation.
2. **Peer Benchmarking:** Peer executive compensation is reviewed annually, and the GC&S Committee assesses the competitiveness and appropriateness of contemplated compensation relative to peer energy companies which the GC&S Committee believes Topaz competes with for talent ("Compensation Peer Group"). Given Topaz's unique, hybrid royalty and infrastructure business, Topaz screens for peer energy companies based on market capitalization, enterprise value, leverage and cash flow. Topaz considered using revenue as a financial screening metric, however energy company revenue is not representative of companies that Topaz competes with for talent given Topaz's superior cash flow and FCF margins as it generates revenue with significantly lower cost exposure relative to operating E&P and midstream companies.
3. **Independent Advice:** The GC&S Committee may use external advisors, as required, to review and provide an assessment of Topaz's executive compensation philosophy and structure relative to our peers.
4. **Long–Term Performance Linkage:** Topaz ensures that executive pay is heavily weighted toward long–term incentives and focused on pay-for-performance to attract, retain, and appropriately motivate key employees and provide strong alignment to sustainable shareholder value creation.
5. **Focus on Corporate and Individual Performance:** Topaz's STIP awards are determined based on a fulsome corporate and individual performance evaluation to motivate individuals and ensure dedication on both fronts. In the event of non-performance, the STIP award for the respective year could be nil.
6. **Share Ownership Guidelines:** Mandatory share ownership requirements apply to our officers and directors which promote a balance between short and long-term objectives by ensuring that officers and directors have a vested interest in creating long-term, sustainable value for Topaz's shareholders.
7. **Policy Prohibiting Hedging:** Topaz has implemented a policy that prevents our officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in the market value of Common Share ownership.
8. **No Guaranteed Incentive Payouts or Increased Future Compensation:** Topaz's STIP and LTIP awards are performance-based and in the event of non-performance of the objective measures established by the GC&S Committee, both short and long-term incentive plans specify minimum awards (potential for nil) and maximum LTIP awards (200%) which serves to discourage excessive risk-taking. In addition, Topaz does not have employment agreements with its NEOs, nor any contractual guarantee for any future salary increases, bonuses or equity compensation.
9. **Executive Recoupment (Claw-Back) Policy:** This policy allows Topaz to recover past incentive compensation awards under the circumstances of fraud or willful misconduct on the part of the executive.

Topaz believes that our corporate culture plays an important role in preventing inappropriate and excessive risk–taking. The GC&S Committee has considered the concept of risk in relation to our executive compensation framework and has not identified any risks arising from Topaz's compensation policies and practices that are reasonably likely to have a material adverse effect on our business.

Use of Professional Judgment

As the Corporation operates in a cyclical industry, at times it may need to adjust its short-term strategy to address unexpected changes. The Committee may apply judgment to assess the performance of the Corporation and its executives in leveraging unexpected opportunities or mitigating unexpected risks while delivering on its goals.

Compensation Peer Group

To ensure that the Corporation's overall compensation package is competitive, the Committee establishes a compensation peer group that is reviewed and updated, as needed, on an annual basis, and is used as a peer benchmark whereby the NEO compensation is targeted at the median of the respective peer's compensation.

To select the peers, the GC&S Committee reviews the most recent publicly available financial information from a group of public Canadian energy companies. Given Topaz's unique, hybrid royalty and infrastructure business, Topaz screens for peer energy companies that would have executive roles of similar scope and complexity, using financial screening metrics based on market capitalization, enterprise value, leverage and cash flow, and due to the limited number of Canadian public royalty and infrastructure companies that meet the criteria, the peer energy companies include operating E&P companies.

Topaz has considered using revenue as a financial screening metric however energy company revenue is not representative of companies that Topaz competes with for talent given Topaz's superior cash flow and FCF margins relative to operating E&P companies. Topaz's cash flow is significantly higher than operating E&P companies with similar levels of revenue due to Topaz's revenue streaming business model. In addition, the scope and complexity of the Corporation's executive roles differ from energy companies with similar levels of revenue to Topaz, given the scope and breadth of Topaz's shareholder base. For instance, due to the significance of Topaz's market capitalization and enterprise value, Topaz's shares have been included in key stock exchange indices including the S&P/TSX Composite Index, the S&P/TSX Low Volatility Index, amongst other well-known indices on the Financial Times Stock Exchange ("FTSE"), whereas energy companies with similar levels of revenue to Topaz are not significantly sized from a market capitalization or enterprise value perspective to be included in similar indices.

Based on the foregoing criteria, the companies listed below were deemed reasonable peers that Topaz competes with for attracting and retaining its workforce and talent, to benchmark executive compensation ("Compensation Peer Group"). The GC&S Committee performs an annual review to assess changes required to the Compensation Peer Group based on changes in market capitalization, enterprise value, leverage and cash flow of Topaz and potential other public Canadian energy peers, as well as to adjust for merger and/or acquisition activity.

Athabasca Oil Corp. ("ATH")
Baytex Energy Ltd. ("BTE")
Freehold Royalties Ltd. ("FRU")
Gibson Energy Inc. ("GEI")
Keyera Corp. ("KEY")
MEG Energy ("MEG")[1]
NuVista Energy Ltd. ("NVA") [1]
Peyto Exploration & Development Corp. ("PEY")
Prairiesky Royalty Ltd. ("PSK")
SECURE Waste Infrastructure Corp. ("SES")
Tamarack Valley Energy Ltd. ("TVE")
Whitecap Resources Inc. ("WCP")

Note:
(1) Company subject to merger activity late in 2025 or early in 2026, as such Topaz's Compensation Peer group will be revised for 2026.

Shareholder Return Peer Group

Topaz's LTIP corporate performance evaluation considers Topaz's equity performance on an absolute basis as well as relative to Topaz's shareholder return peer group. For purposes of the shareholder return peer analysis, the Committee reviewed the most recent publicly available information from a group of public Canadian and US energy peers. The Committee considered the market capitalization, enterprise value and leverage metrics of the prospective peer companies relative to Topaz, and while certain peer companies in the group are not ''royalty and/or energy infrastructure companies,'' they are companies that Topaz competes with for capital investment by similar investors.

Based on the foregoing criteria, the companies listed below were deemed reasonable peers to benchmark Topaz's relative shareholder return ("Shareholder Return Peer Group"). The GC&S Committee performs an annual review to assess changes required to the Shareholder Return Peer Group based on changes in market capitalization, enterprise value and leverage of Topaz and potential other public Canadian and US energy peers, as well as to adjust for mergers and/or acquisitions activity throughout any given year.

Altagas Ltd. ("ALA")
ARC Resources Ltd. ("ARX")
Blackstone Minerals LP ("BSM")
Freehold Royalties Ltd. ("FRU")
Gibson Energy Inc. ("GEI")
Keyera Corp. ("KEY")
Prairiesky Royalty Ltd. ("PSK")
SECURE Waste Infrastructure Corp. ("SES")
Viper Energy Partners LP ("VNOM")
Whitecap Resources Inc. ("WCP")

Executive Compensation

Named Executive Officers for 2025

The NEOs include the Corporation's CEO and CFO:

Mr. Marty Staples President, CEO & Director	Ms. Cheree Stephenson Vice President, Finance & CFO

General

Based on recommendations made by the GC&S Committee, the Board makes decisions regarding salaries, short-term incentives and long-term equity incentive compensation for the CEO and CFO and approves corporate goals and objectives relevant to the compensation of the CEO and CFO. Total compensation is targeted at the median of the Compensation Peer Group, with compensation weighted toward variable pay and "pay-at-risk". As the Corporation operates in a cyclical industry, at times it may need to adjust its short-term strategy to address unexpected changes. The GC&S Committee may apply professional judgment to assess the performance of the Corporation and/or its executives in leveraging unexpected opportunities, mitigating risks, or significantly exceeding the Corporation's goals and objectives.

In determining the 2025 short-term incentive compensation and long-term equity incentive compensation for the CEO and CFO, the Committee evaluated overall corporate performance and equity performance, considered the achievement of individual accountabilities and significant contributions, and measured corporate performance against Topaz's strategic objectives.

Topaz's 2025 Accomplishments

Absolute and Per Share Financial Results	• Topaz generated $338.7 million of EBITDA, $312.8 million of cash flow and $307.5 million of FCF in 2025 (11%, 12% and 13%, respectively, higher than 2024). • Topaz generated 2025 royalty production revenue of $241.8 million from average annual royalty production of 22,417 boe/d and a total realized price of $29.56 per boe, compared to $233.4 million, 19,227 boe/d and $33.17 per boe, respectively, during 2024. Q4 2025 royalty production of 23,399 boe/d increased 15% from Q4 2024 (20,279 boe/d), or 14% per weighted average diluted share, driven by 10% higher liquids royalty production and 18% higher natural gas royalty production (attributed to acquisitions and operator-funded capital development). • Topaz generated $94.7 million processing revenue and other income during 2025, realizing 98% capacity utilization, compared to $79.0 million and 100%, respectively, during 2024. Topaz completed infrastructure acquisitions during the second half of 2024 and the first half of 2025 which contributed to the revenue growth. 2025 infrastructure revenue represented 46% of the 2025 dividend, supporting the 2025 payout ratio despite commodity price volatility.
Shareholder Return	• During 2025, Topaz paid $207.7 million in dividends ($1.35 per share) which included the Q2 2025 dividend increase. Topaz's 2026 estimated dividend of $1.36 per share is sustainable down to low commodity prices ($0.01 per mcf natural gas and US$55.00 per bbl crude oil). • Topaz's equity has outperformed the S&P/TSX Composite Index by 55.0% from December 31, 2020 to December 31, 2025, generating a 22% compound total annual return over the past five years.
Strategy	• 2025 marked another year of strategic consistency for Topaz. In total, $125.4 million of acquisitions were completed which further expanded the Company's asset portfolio, revenue duration and long-term option-value, increasing royalty ownership in NEBC Montney, while adding infrastructure and royalty assets in the Alberta Montney. In conjunction with acquisitions completed in late 2024, the 2025 acquisitions provided 20% higher annual processing revenue, 17% higher royalty production, and 15% higher earnings per share. • Operator-funded activities across Topaz's royalty acreage added 11.9 mmboe of proved plus probable developed reserves[(2)] which generated 1.5 times reserves replacement (1.8 times including acquisitions) of the Company's 2025 royalty reserve production of 8.2 mmboe. • During 2025, Topaz realized a $19.8 million hedging gain which supported the Company's payout ratio and Excess FCF during periods of commodity price volatility. • Topaz exited 2025 with $517.5 million of net debt, representing 1.5x net debt to annualized Q4 2025 EBITDA. As at February 24, 2026, Topaz had approximately $0.5 billion of available credit capacity which provides financial flexibility for strategic growth opportunities.
Environment Social & Governance	• Topaz released the Company's annual Sustainability Report which highlights Topaz's commitment to deliver superior investment returns to shareholders through its sustainable investment strategy and by fostering a strong and committed workforce, mitigating climate-related risk and upholding strong corporate governance and ethics. Topaz's Sustainability Report describes the Company's multi-year sustainability commitments, targets and performance achievements.

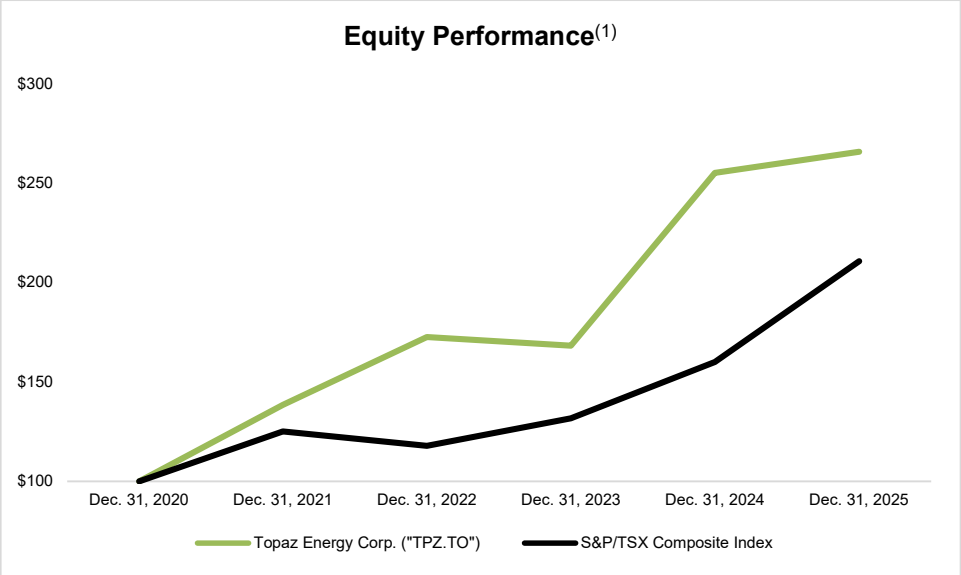
Notes:

(1) All financial and operational amounts included in the table above are derived from Topaz's February 24, 2026 news release, and the Company's financial statements and MD&A for the years ended December 31, 2024 and 2025. Refer to "Non-GAAP and Other Financial Measures" and "Advisory Notes and Cautionary Statements" within the referenced documents.

(2) As a royalty entity not responsible for capital development, Topaz's external, independent reserve report is limited to proved producing, proved non-producing and probable developed properties and does not include any future development capital attributed to undeveloped royalty acreage. Based on Topaz's December 31, 2025 external independent reserve report. Refer to Topaz's 2025 Annual Information Form available on SEDAR+ for additional information.

Equity Performance

The graph below compares the performance of the Corporation over the past five years, with all dividends reinvested, to the S&P/TSX Composite Index, each starting with an investment of $100 on December 31, 2020.



	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025	5-yr Compound Annual Growth
Topaz Energy Corp.	$100.00	$138.43	$172.62	$168.24	$255.14	$265.88	22%
S&P/TSX Composite Index	$100.00	$125.09	$117.78	$131.62	$160.12	$210.84	16%

Note:

(1) Source: “Factset”. Aggregate total shareholder return based on historical share prices on the TSX assuming dividend reinvestment and a starting investment of $100 on December 31, 2020.

Topaz is a unique royalty and infrastructure energy company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders. The business structure provides a lower risk investment in the energy sector which is attributed to the stable revenue generated from its infrastructure assets, combined with royalty revenue that generates high cash flow margins protected from operating, capital and abandonment costs. For the last five years, Topaz’s equity has outperformed the S&P/TSX Composite Index by 55% over the past five years.

2025 Compensation

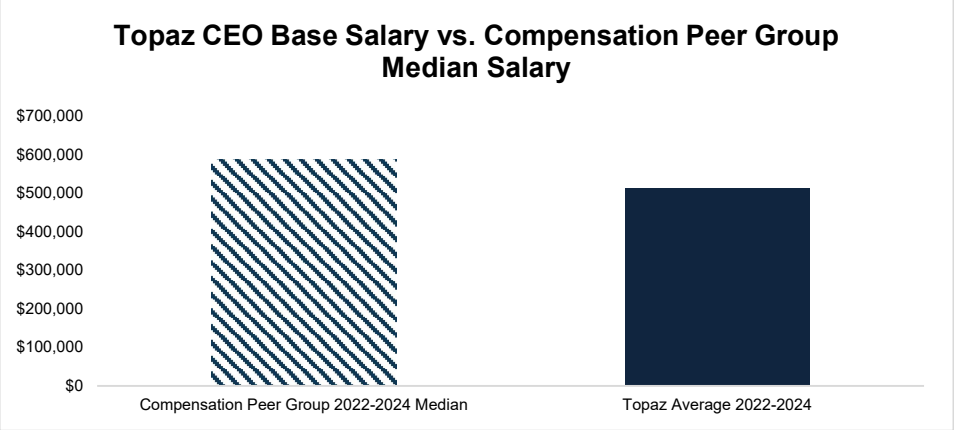
1. Base Salary

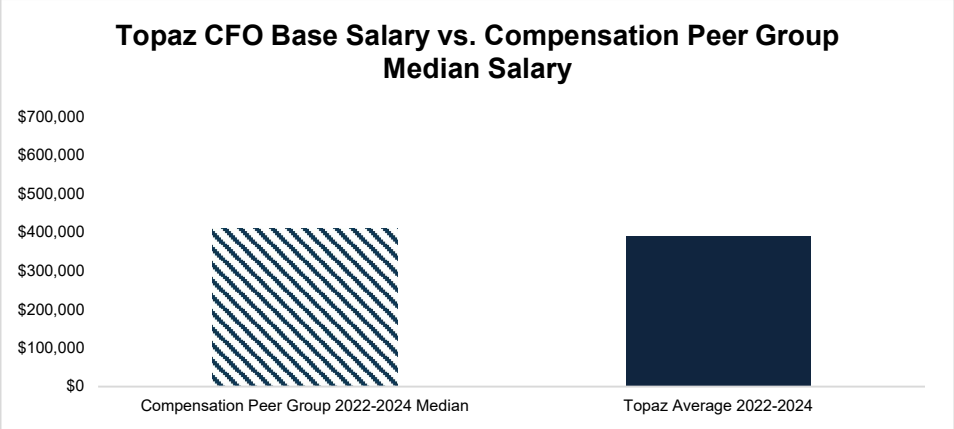
The base salary is intended to provide a fixed level of compensation that reflects a NEO's primary duties and responsibilities as well as the NEO's experience and expertise. It also provides a foundation upon which incentive opportunities and benefit levels can be established. The GC&S Committee considers several factors in the determination of base salaries for executive officers, including Topaz's long-term interests, individual leadership expectations and ability, level of responsibility, individual performance, years of relevant experience and salaries paid for roles of comparable scope and complexity, by companies of comparable market capitalization, enterprise value, geography, scope and complexity in the energy industry. Salaries of the executive officers are reviewed annually in the fourth quarter of each year based upon corporate and personal performance and by considering individual levels of responsibility, competitive practices, market and overall economic conditions, and are ultimately approved by the board.

The 2025 base salaries for the executive officers (see *"Summary Executive Compensation Table"* in this circular) were established at the end of 2024. Base salaries are targeted at the median level for similar positions in the Compensation Peer Group but may be adjusted upward or downward to reflect factors that include the level and breadth of responsibility of the NEO's role as compared to the Compensation Peer Group, or to account for the forward-looking fiscal year given publicly available peer compensation data is only available on a trailing basis. For instance, due to Topaz's NEO's responsibilities being shared amongst only two executive officers, the CFO base salary is higher relative to the Compensation Peer Group CFO median.

Historical Base Salary Peer Analysis

The graphs below present the three-year historical average (2022 through 2024) base salary paid to Topaz's CEO and CFO, relative to the comparable median for the Compensation Peer Group. For the respective periods, the average CEO base salary was 13% lower and the average CFO base salary was 5% lower than the respective average median base salary.





2. Annual Incentive Compensation

Topaz's annual incentive compensation is comprised of short-term incentive ("STIP") awards, and company contributions to an employee share purchase plan ("ESPP").

STIP awards are determined based on corporate and individual performance metrics. In the event of non-performance, the STIP award for the respective year could be nil. At the election of the employee, STIP awards are payable in cash, or 50% equity and 50% cash.

The Corporation provides an employee share savings plan which demonstrates attention to Common Share ownership, through which Common Shares are purchased, and executive and employee contributions are made on a two to one basis by the Corporation up to a maximum of 7% of the individual's base salary. The Corporation's culture of share ownership is demonstrated by 100% participation in the plan.

The ESPP encourages long-term ownership without increasing stock dilution, as the Common Shares are purchased in the open market by a third-party firm. The plan not only enhances employee retention but also provides for a compensation package that is in-line with peers and further promotes alignment of long-term interests between employees and shareholders. Common Shares purchased using the employer's contribution are subject to a one-year hold period from the contribution date. The independent directors are not eligible for participation in the ESPP.

Determination of 2025 STIP Awards - Corporate Performance Measures & Evaluation

For 2025, Management executed the strategic objectives established by the board and Topaz generated financial performance that exceeded expectations despite commodity price volatility. A summary of the key highlights of the GC&S Committee's performance evaluation, including performance relative to targeted financial metrics, are provided in the table below. See *"Compensation Philosophy - Determination of STIP Awards"* in this circular.

Corporate Performance Objectives and Measures		2025 Corporate Performance	2025 STIP Performance Evaluation Results
Execution of strategic objectives and risk management	Disciplined capital investments focused on superior quality, counter-cyclical royalty and strategic infrastructure assets that provide sustainable shareholder value Acquisition growth and diversification without compromising counterparty or asset quality Risk management strategies to ensure dividend reliability and sustainability and mitigate leverage risk	• Evaluated a range of opportunities and completed $125.4 million of core area acquisitions in 2025 that contributed to 20% higher annual processing revenue, 17% higher royalty production, and 15% higher earnings per share. • Topaz's 2025 cash flow per share was 11% higher than target, driven by lower expenses and higher royalty production, infrastructure revenue and hedging gains. Through 2025, Topaz had approximately 30% of royalty production hedged and generated a $19.8 million hedging gain during 2025.	• Execution of Topaz's 2025 strategic objectives, mitigating leverage and commodity price risk through disciplined acquisition growth while maintaining balance sheet strength and extended the credit facility (4 year term) and undertook initiatives to maintain and limit Topaz's debt cost of capital. Topaz acquired natural gas focused developed and undeveloped royalty acreage during a period of lower natural gas commodity pricing and acquired contracted infrastructure interests in the targeted Montney play area. • Topaz's dividend increased 3% in 2025, marking the fifth consecutive year of sustained dividend increases. Topaz's payout ratio remains at the lower end of its long-term targeted payout range of 60-90% to enable self-funding of incremental M&A growth. • For the fifth consecutive year, operator funded development generated reserve additions exceeding Topaz's annual royalty production (2025 – 146% reserves replacement and prior five-year average 134%) which demonstrates the growth and durability of the royalty portfolio.
Financial metrics	Free cash flow per share growth on a fourth quarter annualized basis and royalty production, processing revenue and other income growth and consideration of changes in underlying commodity pricing	• 2025 FCF per share (Q4 annualized) of $2.08 per share exceeded the high end of the targeted range set in Q4 2024 by the GC&S Committee. • Despite lower commodity pricing, Topaz's FCF exceeded expectations attributed to acquisitions, higher royalty production, lower expenses and higher hedging gains.	• Exceeded the GC&S Committee's expectations despite lower commodity pricing which was further mitigated through Topaz's hedging strategy ($19.8 million hedging gain realized in 2025). • Topaz's common shares generated a 22% compound total annual return over the past 5 years, demonstrating sustainable shareholder value creation. Topaz distributed $207.7 million in dividends (including a Q2 2025 dividend increase) and reduced the payout ratio to 66%.
Financial leverage	Optimization of the Corporation's cost of capital without significant risk or dilution of the quality of the existing royalty and infrastructure asset portfolio	• 1.5x 2025 exit net debt to EBITDA and 66% 2025 payout ratio (lower end of 60-90% long-term target). • Demonstrated capital discipline through 2025, evaluating a significant number of acquisitions and maintaining focus on infrastructure transactions and natural gas focused royalty assets due to counter-cyclical commodity pricing.	• Exceeded the GC&S Committee's expectations; Topaz used excess FCF and modest leverage to invest in strategic royalty and infrastructure assets across its core areas ($125.4 million) while also increasing the quarterly dividend 3% per share from 2024.
Environment, Social & Governance	Depth of ESG integration and quality of ESG reporting Targets, commitments and performance as disclosed in Topaz's 2023 Sustainability Report	• Demonstration of Topaz's sustainable investment strategy through acquisitions and lookback analysis presented to Topaz's board; fourth annual sustainability report including maintaining the Company's net zero scope 1 and 2 emissions reported for 2024. Topaz also met several targets and commitments previously set and established new targets in combination with the Company's annual sustainability reporting.	• Exceeded the GC&S Committee's expectations; Topaz enhanced the disclosure of the Company's sustainable investment strategy, demonstrated the strategy through 2025 acquisitions, met sustainability-related targets and commitments previously set and further expanded and strengthened its workforce to segregate additional compliance and analyst duties. Topaz continues to demonstrate its strong diversity commitment through its executive team, employees and board.

Note:

(1) All financial and operational amounts included in the table above are derived from Topaz's financial statements and MD&A for the years ended December 31, 2024 and 2025. See *"Non-GAAP and Other Financial Measures"* in this circular.

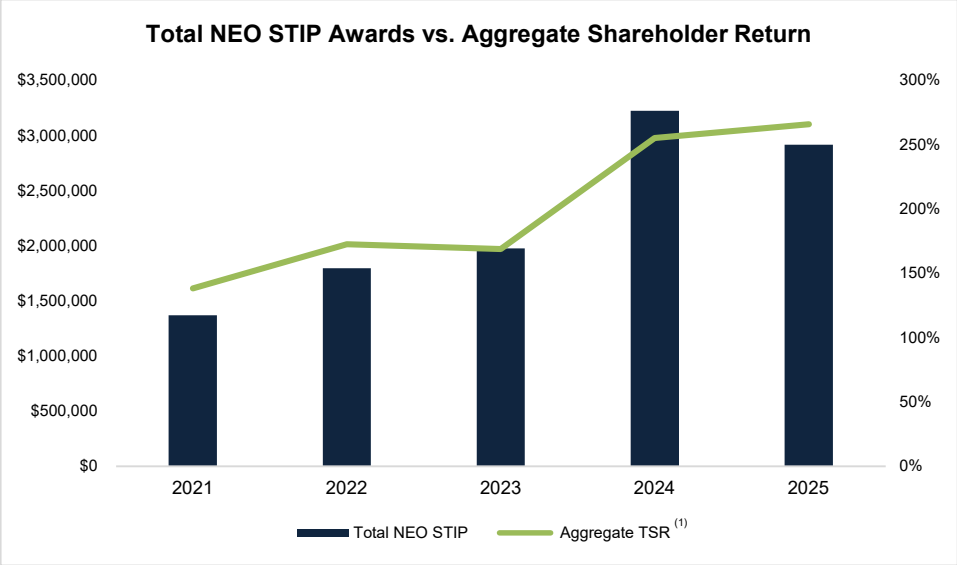
Individual NEO Performance Measures & Evaluation

Individual contribution, effort, and performance by the CEO and CFO exceeded expectations based on execution of the Corporation's strategic objectives in 2025. Notable achievements include execution of strategic acquisitions and evaluating but not pursuing acquisitions that did not meet Topaz's investment criteria, risk mitigation (hedging) strategy execution, leverage and cost of debt capital management, staff training and development to further diversify and segregate responsibilities, and achievement of the Company's sustainability targets and commitments.

Total NEO Short-Term Incentive Compensation

The 2025 short-term incentive compensation for the executive officers (see *"Summary Executive Compensation Table"*) was above the median level for similar positions in the Compensation Peer Group based on 2025 corporate and individual performance, driven by the execution of a consistent, disciplined growth strategy and sustainability of shareholder value amongst significant commodity price volatility. The 2025 STIP was awarded at a multiple between two and three times base salary for the CEO and CFO.

The graph below demonstrates the correlation between Topaz's aggregate annual STIP awards paid to the CEO and CFO, and Topaz's aggregate shareholder return over the past five years. For 2025, Topaz paid aggregate STIP awards to the CEO and CFO of $2.92 million, or $0.02 per weighted average diluted share (2024 - $3.23 million and $0.02 per share; 2023 - $1.98 million and $0.01 per share; 2022 - $1.80 million and $0.01 per share; 2021 - $1.37 million and $0.01 per share; and 2020 - $0.65 million and $0.01 per share, respectively).



Note:

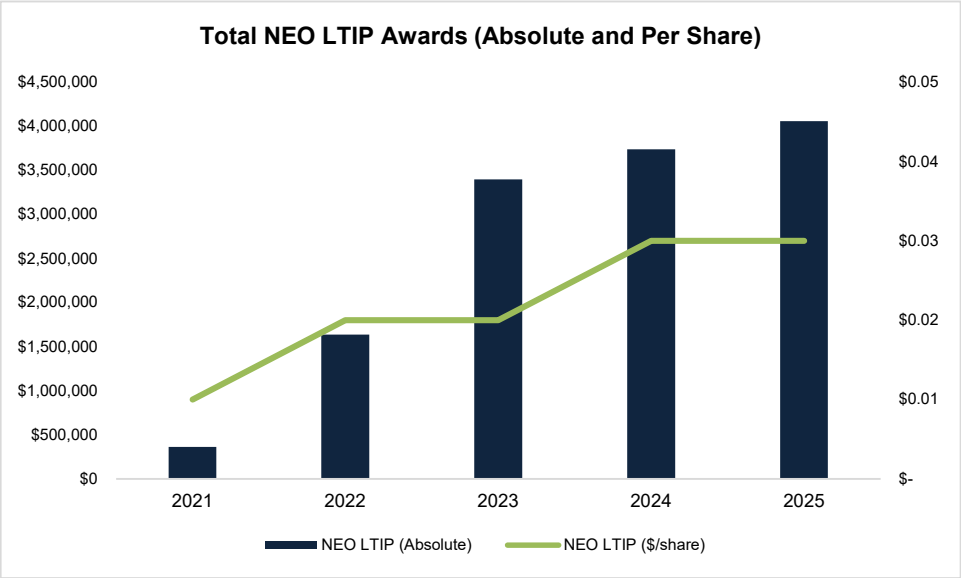
(1) Source: "Factset". Aggregate total shareholder return based on historical share prices on the TSX assuming dividend reinvestment and a starting investment of $100 on December 31, 2020.

3. 2025 Long-Term Incentive Plan ("LTIP") Awards

The NEOs' 2025 long-term equity incentive compensation is issued as awards under the PSU Plan, whereby PSUs vest 100% after three years. No awards were granted in 2023, 2024 or 2025 under the presently inactive Share Option Plan. PSUs are granted at an assumed value in the calendar year and are subject to time vesting and performance vesting criteria, as well as stock price volatility, which in turn impacts their "actual realized" value in the future when the awards vest, are exercised, or are paid out.

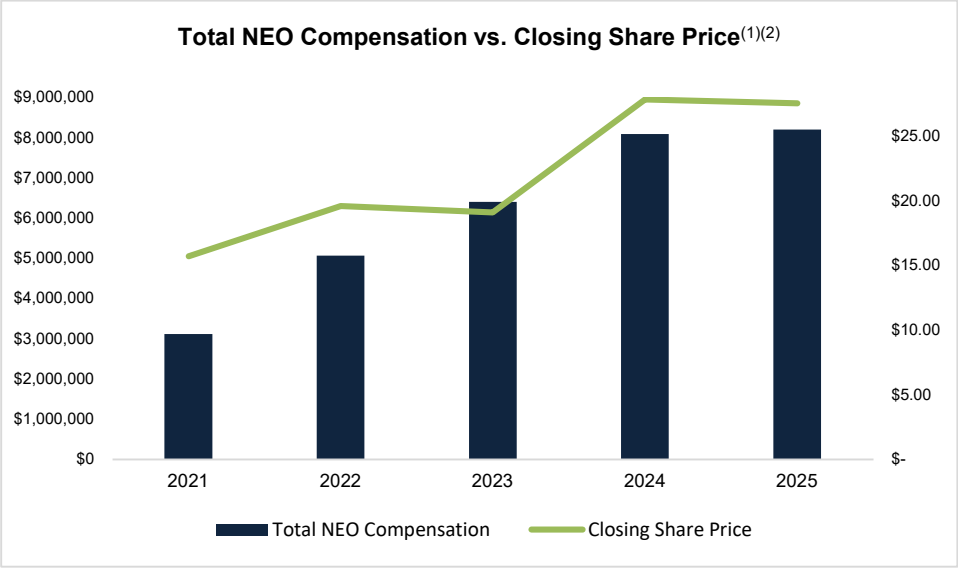
2025 LTIP equity incentive compensation granted to the NEOs under the PSU Plan was based upon strong corporate and individual performance and median long-term equity incentive compensation of the Compensation Peer Group. Previous grants were also considered when the GC&S Committee determined the 2025 award grants. The GC&S Committee established the 2025 long-term performance measures and expectations for the LTIP during the fourth quarter of 2024, which will be evaluated at the end of three years to determine the awards payable in cash or equity, pursuant to the PSU Plan.

The graph below presents Topaz's annual LTIP awards granted to the CEO and CFO over the past five years, on an absolute and per share basis. For 2025, Topaz granted aggregate LTIP awards to the CEO and CFO of $3.74 million, or $0.03 per weighted average diluted share (2024 - $3.74 million and $0.03 per share; 2023 - $3.40 million and $0.02 per share; 2022 - $2.35 million and $0.02 per share and 2021 - $0.98 million and $0.01 per share; respectively).



Total NEO Compensation

The graph below presents the correlation over the past five years, between Topaz's annual total NEO compensation and the year-end closing share price, demonstrating the alignment between Topaz's compensation and sustainable shareholder value creation.



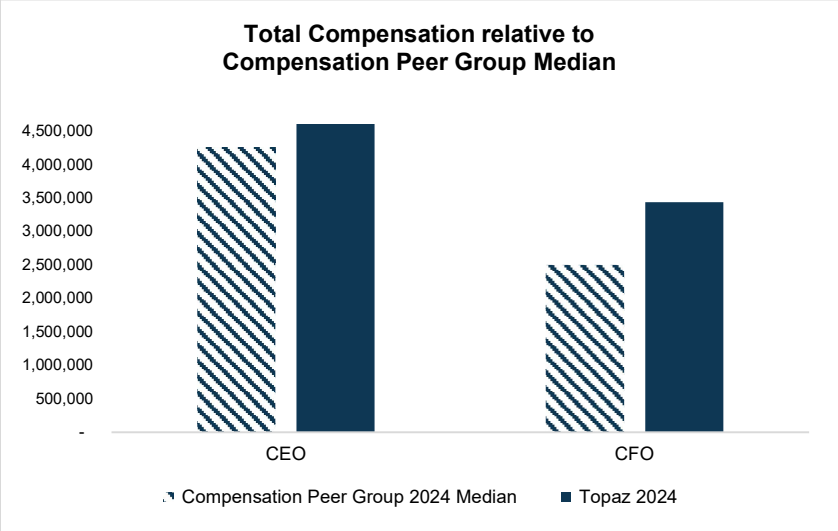
Note:

(1) Source: "TSX Infosuite". Topaz's historical year-end closing share price on the TSX.

(2) Total NEO compensation on a per weighted average diluted share basis for the years presented.

Total CEO and CFO Compensation Peer Analysis

The graph below presents the 2024 total CEO and CFO compensation, compared to the respective Compensation Peer Group median. CEO and CFO total compensation exceeded the respective peer group median as Topaz only had two executive officers therefore responsibilities are shared amongst fewer executives relative to the peer group.



Summary Executive Compensation Table

Based on the information available at the date hereof, the following table sets out information concerning the compensation paid by the Corporation to the Named Executive Officers for the fiscal years ended December 31, 2025, 2024 and 2023.

Name and principal position	Year	Base salary ($)	Option-based awards[1] ($)	Annual incentive plans[2] ($)	Long-term incentive plans[3] ($)	All other[4] ($)	Total compensation ($)
Marty Staples *President & CEO*	2025	$590,000	Nil	$1,600,000	$2,360,000	$82,600	**$4,632,600**
	2024	$561,000	Nil	$1,770,000	$2,244,000	$78,540	**$4,653,540**
	2023	$510,000	Nil	$1,122,000	$2,040,000	$71,400	**$3,743,400**
Cheree Stephenson *VP Finance & CFO*	2025	$485,000	Nil	$1,315,000	$1,697,500	$67,900	**$3,570,400**
	2024	$426,800	Nil	$1,455,000	$1,493,800	$59,752	**$3,435,352**
	2023	$388,000	Nil	$853,600	$1,358,000	$54,320	**$2,653,920**

Notes:

(1) No options were granted in 2023, 2024 or 2025. See "*Inactive Share Option Plan*".

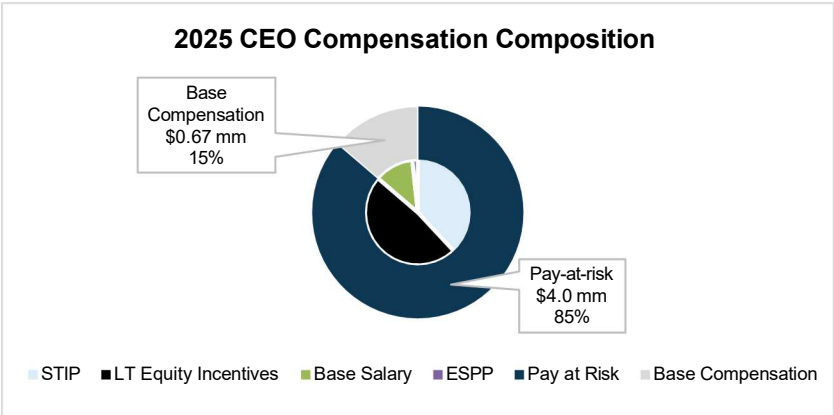
(2) In 2025, non-equity incentive compensation was awarded as STIP awards. At the election of the Named Executive Officers, the 2025 STIP awards were paid 50% cash and 50% equity which are subject to a two-year contractual hold, similar to 2024 and 2023.

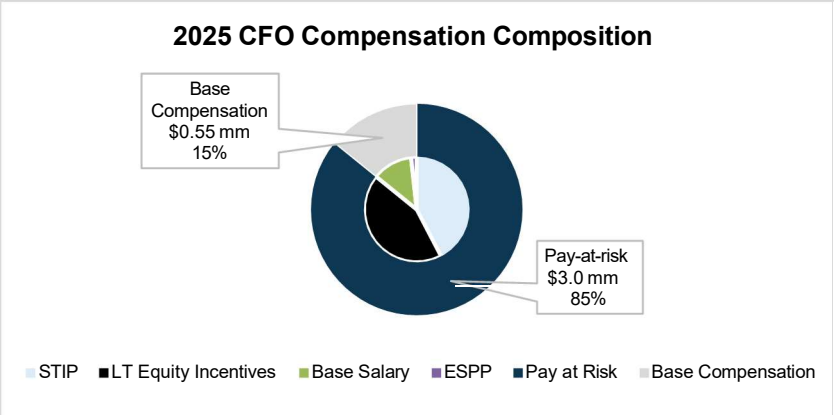
(3) Long-term incentive compensation was awarded as LTIP grants under the PSU Plan. The fair value for the table above represents the five-day volume weighted average price on the grant date of January 1, 2025 which was $27.15 per share (January 1, 2024 - $19.34, July 1, 2023 - $20.30). The fair value of the PSUs for accounting purposes is estimated based on the volume-weighted average share price on the date of the respective grant, less the present value of estimated future dividends, which are recorded over time as dividend reinvestment units.

(4) Effective April 1, 2021 the Corporation implemented the employee share purchase plan – see "ESPP." The Corporation does not have a pension plan. No property or other personal benefits were provided to the NEOs that are not generally available to all employees and, that in aggregate, were worth $50,000 or more, or were worth 10% or more of the NEO's total salary for the years ended December 31, 2025, 2024, or 2023.

2025 CEO and CFO Compensation Composition ("Pay-at-Risk")

To align pay levels for the CEO and CFO with the Corporation's performance and the interests of the shareholders, the Corporation places the greatest emphasis on performance based short-term and long-term incentives rather than base salary. The charts below present the composition of total compensation paid to the CEO and CFO in the 2025 fiscal year, with 85% of total compensation pay-at-risk.





2023-2025 LTIP Performance Evaluation

Topaz's 2023 PSU awards vested on December 31, 2025 following the three fiscal year performance period. The GC&S Committee evaluated corporate performance in relation to the LTIP scorecard metrics as described in the table below and determined the performance multiplier in respect of the 2023 LTIP awards to be two times.

Corporate Performance Evaluation		Weighting	2023-2025 Performance	2023-2025 LTIP Result
Absolute and relative shareholder return performance	Three-year annualized total shareholder return measured against absolute return and return relative to Topaz's shareholder return peer group	45%	• Topaz's equity generated a 12% three-year annualized total shareholder return from 2023-2025 which met the high end of the quantitative target range set by the GC&S Committee in 2022. • Topaz significantly exceeded expectations and increased the dividend 4 times (13% per share dividend growth) over the three-year performance period, while maintaining a payout ratio on the lower end of the long-term targeted range of 60-90% to maintain financial flexibility.	• Met the GC&S Committee's expectation on Topaz's three-year annualized total shareholder return of 15% which significantly exceeded the midpoint target (7.5% based on the second quartile relative to peers). • Topaz's return relative to its Shareholder Return peer group also exceeded the GC&S Committee's expectations, achieving second quartile relative performance over the three-year period. Refer to *"Absolute and Relative Shareholder Return Performance"* discussion below.
Financial return	Return on average capital employed	45%	• Topaz generated 16% average return on invested capital during the three-year performance period that is attributable to execution of Topaz's sustainable investment strategy focused on quality royalty acquisitions during periods of lower commodity pricing and acquisitions of high-margin infrastructure working interests supported by long-term contractual arrangements.	• Exceeded the GC&S Committee's expectation as Topaz generated a 16% average return on invested capital from 2023-2025 which exceeded the high end of the targeted range (15%).
Strategy	Strategic execution of the business plan including acquisitions and asset and counterparty portfolio balance and performance of the Company's ESG targets, commitments and performance	10%	• Executed Topaz's investment growth and diversification strategy between 2023 and 2025 without sacrificing asset quality and maintained low to moderate leverage to maintain financial flexibility. • Demonstration of the superior asset portfolio performance continued over the course of the three-year performance period including strong operator-funded reserve replacement of 146% in 2025, with the three-year average of 136% in line with the prior three-year average of 137%.	• Exceeded the GC&S Committee's expectations, diversifying the royalty and infrastructure portfolio with high quality counterparties and assets and generating significant royalty production and reserves, infrastructure revenue, and royalty acreage growth over the three-year performance period.

Absolute and Relative Shareholder Return Performance

The following table presents the annualized three-year shareholder return (including reinvested dividends) for Topaz, the S&P/TSX Composite Index and the 2023 Shareholder Return Peer Group. Topaz has a hybrid royalty and energy infrastructure business that provides a lower volatility energy investment due to the stable nature of the infrastructure revenue streams combined with royalty revenue streams that generate high cash flow margins protected from operating, capital and abandonment costs. Given the technical characteristics and commodity exposure of the energy industry, Topaz is categorized alongside E&P companies therefore further analysis is required to understand the differentiated investment value offered by Topaz compared to E&P company peers. The GC&S Committee analyzes Topaz's relative shareholder return performance in comparison to the Shareholder Return Peer Group as well as the subset groups of similar energy entities which include royalty, infrastructure and E&P companies. In addition, The GC&S Committee compares Topaz's shareholder return performance to the benchmark energy index on the TSX.

For the last five consecutive years, Topaz's equity has outperformed the S&P/TSX Composite Index and since Topaz's December 31, 2020, Topaz's equity has outperformed the S&P/TSX Composite Index by 55.0% to December 31, 2025. See *"Equity Performance"* in this circular.

For the 2023 LTIP awards, Topaz's three-year annualized total shareholder return of 15% met the high end of the target range and significantly exceeded the midpoint target range for the second quartile relative to the Shareholder Return Peer Group. As shown in the table below, Topaz outperformed the 2023 Shareholder Return Peer Group average as well as the royalty and E&P subset groups, with 2% divergence to the infrastructure subset group. Relative to the overall 2023 Shareholder Return peers, Topaz's performance ranked within the second highest quartile.

	3 Year Annualized 2023-2025 Total Shareholder Return[2] (20d VWAP)
Topaz Energy Corp.	15%
Shareholder Return Total Peer Group Average[1]	10%
Shareholder Return Peer Group subset – Royalty only	4%
Shareholder Return Peer Group subset – Infrastructure only	17%
Shareholder Return Peer Group subset – E&P only	12%

Notes:

(1) Topaz's 2023 Shareholder Return peer group was comprised of 11 public companies: Altagas Ltd., ARC Resources Ltd., Blackstone Minerals Inc., Enerplus Corp., Freehold Royalties Ltd., Gibson Energy Inc., Keyera Corp., Prairiesky Royalty Ltd., Sitio Royalties, Viper Energy Partners LP, and Whitecap Resources Inc.

(2) Source: *"Factset"*. 3 year annualized total shareholder return calculated using the 20 day volume weighted average historical share prices on the TSX adjusted for dividends for fiscal years 2023, 2024 and 2025.

Long-term Equity Incentive Compensation

The following table sets out information demonstrating the performance-based payout range concerning the long-term equity incentive compensation awarded by the Corporation to the Named Executive Officers for the last three fiscal years. Long-term incentive compensation includes LTIP awards under the PSU Plan from 2023 through 2025 and awards under the presently inactive Share Option Plan from 2020 through 2022. The table demonstrates the ratio of performance to time- based equity grants as well as the range of compensation payable based on the performance multiplier range of 0.0x to 2.0x in respect of the awards granted pursuant to the PSU Plan.

Name and principal position	Year	Option-based awards (time-based)[1] ($)	Long-term incentive plans (perf. based)[2] ($)	Total long-term equity compensation ($)	Ratio of performance to time-based equity grants (%)	Performance based equity grants (PSU) payout range[3] ($)		Total long-term equity incentive compensation (Options and PSUs[3]) payout range ($)	
						Minimum 0.0x (PSU)	Maximum 2.0x (PSU)	Minimum 0.0x (PSU)	Maximum 2.0x (PSU)
Marty Staples *President & CEO*	2025	Nil	$2,360,000	**$2,360,000**	**100%**	Nil	$4,720,000	Nil	**$4,720,000**
	2024	Nil	$2,244,000	**$2,244,000**	**100%**	Nil	$4,488,000	Nil	**$4,488,000**
	2023	Nil	$2,040,000	**$2,040,000**	**100%**	Nil	$4,080,000	Nil	**$4,080,000**
Cheree Stephenson *VP Finance & CFO*	2025	Nil	$1,697,500	**$1,697,500**	**100%**	Nil	$3,395,000	Nil	**$3,395,000**
	2024	Nil	$1,493,800	**$1,493,800**	**100%**	Nil	$2,987,600	Nil	**$2,987,600**
	2023	Nil	$1,358,000	**$1,358,000**	**100%**	Nil	$2,716,000	Nil	**$2,716,000**

Notes:

(1) No options were granted in 2023, 2024 or 2025.

(2) Long-term incentive compensation awarded as LTIP grants under the PSU Plan. The fair value for the table above represents the five-day volume weighted average price on the grant date of January 1, 2025 which was $27.15 per share (January 1, 2024 - $19.34 and July 1, 2023 - $20.30). The fair value of the PSUs for accounting purposes is estimated based on the volume-weighted average share price on the date of the respective grant, less the present value of estimated future dividends, which are recorded over time as dividend reinvestment units.

(3) A performance payout multiplier ranging from 0.0x to 2.0x is applied to PSUs based on long-term performance results, determined by the GC&S Committee. See *"Compensation Philosophy - Determination of LTIP Awards"* in this circular.

Per Share Total NEO Compensation Relative to Total Revenue

The table and chart below present the Corporation's aggregate total executive compensation as a percentage of the Corporation's total revenue and other income, on a weighted average per diluted share basis for the years ended December 31, 2021 to 2025. Total NEO compensation has remained consistent, approximately two to three percent of total revenue and other income per share. During 2025, Topaz's royalty production and processing revenue and other income increased 8% (3% on a per weighted average diluted share basis), which offset the impact of 15% lower realized commodity pricing primarily driven by lower realized liquids pricing compared to 2024.

Year	Total NEO Compensation per weighted average diluted share ($/sh)	Total Revenue and Other Income per weighted average diluted share ($/sh)	Per Share Total NEO Compensation Relative to Total Revenue and Other Income (%)
2025	$0.05	$2.18	2.3%
2024	$0.05	$2.12	2.4%
2023	$0.04	$2.21	1.8%
2022	$0.04	$2.58	1.6%
2021	$0.03	$1.70	1.8%

Per Share Total NEO Compensation Relative to Cash Flow

The table and chart below present the Corporation's aggregate total executive compensation as a percentage of the Corporation's cash flow, on a weighted average per diluted share basis for the years ended December 31, 2021 to 2025. Total NEO compensation has remained consistent, approximately two to three percent of cash flow per share. During 2025, Topaz's royalty production and processing revenue and other income increased 8% (3% on a per weighted average diluted share basis), which offset the impact of 15% lower realized commodity pricing primarily driven by lower realized liquids pricing compared to 2024.

Year	Total NEO Compensation per weighted average diluted share ($/sh)	Cash flow per weighted average diluted share ($/sh)	Per Share Total NEO Compensation Relative to Cash flow (%)
2025	$0.05	$2.03	2.5%
2024	$0.05	$1.90	2.6%
2023	$0.04	$1.97	2.0%
2022	$0.04	$2.33	1.7%
2021	$0.03	$1.54	1.9%

NEO Outstanding Option-Based Awards

The following table sets forth, for each Named Executive Officer, information concerning any option-based awards that were outstanding at December 31, 2025. No Options were granted 2023, 2024 or 2025. See "*Inactive Share Option Plan*".

Name and principal position	Grant Year[1]	Common Shares underlying unexercised Options (#)	Exercise price of Options ($)	Option expiration dates	Value of unexercised in-the-money Options[2] ($)
Marty Staples *President & CEO*	2022	153,000	$20.65	July 1, 2029	$1,054,170
	2021	175,000	$14.66	January 15, 2028	$2,254,000
	2020	80,000	$10.00	April 15, 2027	$1,403,200

Notes:

(1) Topaz commenced operations on November 14, 2019 and did not have any employees until April 2020.

(2) Calculated based on the difference between the December 31, 2025 closing price of the Common Shares on the TSX of $27.54, and the exercise price of the Options, if positive, multiplied by the number of Options.

NEO Reported Target and Actual Realized Compensation

Disclosure standards require the Company to show annual compensation in a manner which is not necessarily reflective of what an executive officer receives as "actual realized" compensation in the year, or in future years as long-term share-based awards vest. The disclosures contained in the Summary Executive Compensation Table provided in this circular, include amounts received by or granted to the executive officer in the current year, which includes "reported target" amounts in respect of long-term incentive awards (grants under the PSU Plan and the presently inactive Share Option Plan) that are deferred for many years and can fluctuate both up and down based on the price of the Common Shares and corporate performance. The following tables set forth, for each Named Executive Officer, information concerning the reported target and actual realized total compensation for the years whereby long-term equity incentive awards have fully vested. See *"CEO Reported Target and Actual Realized Compensation"* in this circular.

NEO Option-Based Awards — Value Vested or Earned

The following table sets forth, for each Named Executive Officer, information concerning the number of option-based awards presently awarded to the Named Executive Officers which had vested or been earned by December 31, 2025, since Topaz's inception. No Options were granted in 2023, 2024 or 2025.

Name and principal position	Grant Year	Compensation value of option-based awards issued by year[1] ($)	Actual value earned and received from option-based awards by year[2] ($)
Marty Staples *President & CEO*	2022	$1,054,170	–
	2021	$2,254,000	–
	2020	$1,403,200	$2,020,600
Cheree Stephenson *VP Finance & CFO*	2022	–	$616,095
	2021	–	$782,257
	2020	–	$1,980,817

Notes:
(1) Calculated based on the difference between the December 31, 2025 closing price of the Common Shares on the TSX of $27.54, and the exercise price of the Options, if positive, multiplied by the number of vested, unexercised Options at December 31, 2025.
(2) Calculated based on the difference between the market price of the Common Shares on the exercise date, and the exercise price of the Options, on the date of exercise.

NEO Outstanding Share-Based Awards

The following table sets forth, for each Named Executive Officer, information concerning the share-based awards that were outstanding at December 31, 2025.

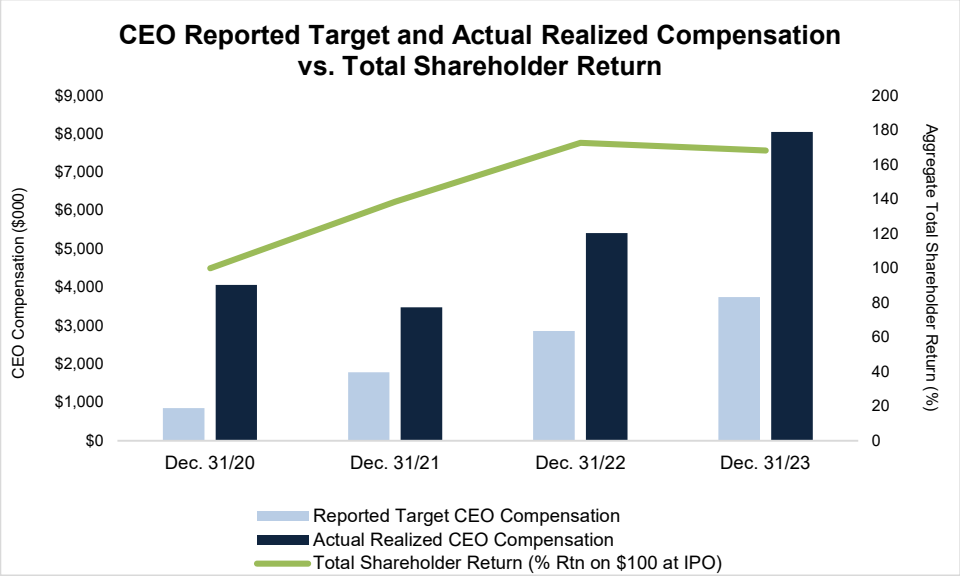
Name and principal position	Year	Number of PSUs that have not vested (#)	Market value of PSUs that have not vested[3] ($)	Market value of vested PSUs not paid out or distributed[2][3] ($)
Marty Staples *President & CEO*	2025[1]	86,925	$2,393,915	
	2024[1]	116,029	$3,195,439	
	2023	–	–	$6,344,830
Cheree Stephenson *VP Finance & CFO*	2025[1]	62,524	$1,721,911	
	2024[1]	77,239	$2,127,162	
	2023	–	–	$4,223,755

Notes:
(1) Excludes dividend reinvestment units or potential impact from the future performance multiplier ranging between 0 and 2 times.
(2) Includes dividend reinvestment units and the impact of the performance multiplier following the evaluation of the three-year performance period. Refer to *"2023-2025 LTIP Performance Evaluation"* in this circular.
(3) Calculated based on the December 31, 2025 closing price of the Common Shares on the TSX of $27.54.

CEO Reported Target and Actual Realized Compensation

The following chart presents the CEO's reported target relative to actual realized compensation, in respect of the first four years whereby the respective long-term equity incentive awards have vested. The long-term equity incentive awards were primarily 2020 and 2021 grants under the presently inactive Share Option Plan. Awards under the Share Option Plan are included in annual compensation based on an assumed value in the calendar year, however they are subject to both time vesting and performance vesting criteria, as well as stock price volatility, which in turn impacts their "actual realized" value in the future when the awards vest, are exercised, or are paid out. As a result of superior growth and execution of Topaz's strategic objectives during the Corporation's formative years, Topaz's share price appreciated from $13.00 per share on October 20, 2020 when the shares were initially listed on the TSX, to $27.54 on December 31, 2025 representing a 2.1 times increase (before consideration of dividends).[(2)]

For 2020 through 2023, the CEO's actual realized compensation exceeded the reported target compensation due to incremental value received or estimated from vested Options due to strong stock price performance; and incremental value received from 2021 and 2022 PSU awards attributed to dividend reinvestment units and the impact of the respective annual performance multiplier.[(1)]



Notes:

(1) Actual realized CEO Compensation is comprised of base salary, STIP awards, ESPP, LTIP (PSU) awards paid to date, and the value earned or received from vested stock options based on the value earned at the time of exercise, or if not yet exercised, the difference between the exercise price and the December 31, 2025 closing price of the Common Shares on the TSX of $27.54 for any vested, unexercised stock options.

(2) Source: "Factset". Aggregate total shareholder return based on historical share prices on the TSX assuming dividend reinvestment and a starting investment of $100 on October 21, 2020.

Equity-Based Compensation Plans Dilution Analysis

Annual Burn Rate under Executive Equity-Based Compensation Plans

The table below provides the number of Options and share-based awards granted during the periods presented and the potential dilutive effect of such instruments. At Topaz's election, the PSUs are payable in cash or equity. If PSUs are paid in cash, the instruments will have no dilutive impact as represented in the table below.

Year	Share-based awards granted[1]		Options granted (#)	Weighted average Common Shares outstanding (#)	Burn rate[2][3] (%)			
	PSUs (#)	DSUs (#)			Minimum 0.0x	1.0x	1.5x	Maximum 2.0x
2025	693,093	38,820	Nil	153,806,067	0.0%	0.5%	0.7%	0.9%
2024	593,493	36,255	Nil	146,521,000	0.0%	0.4%	0.6%	0.8%
2023	421,932	41,313	Nil	144,493,000	0.0%	0.3%	0.5%	0.6%
2022	150,665	36,683	729,000	142,546,000	0.5%	0.6%	0.7%	0.7%
2021	42,724	25,818	400,000	123,703,000	0.3%	0.4%	0.4%	0.4%

Notes:

(1) Includes the issuance of PSUs and DSUs, respectively, attributed to dividends paid and performance multiplier awards granted during the periods.

(2) Assumes that all share-based awards are paid in Common Shares, however at Topaz's election, share-based awards are payable in cash or equity.

(3) A performance payout multiplier ranging from 0.0x to 2.0x is applied to PSUs based on long-term performance results, which is determined by the GC&S Committee. See *"Compensation Philosophy - Determination of STIP Awards"* in this circular. The burn rate for each year is calculated by dividing the number of Options and share-based awards granted during the year (with the respective payout multipliers applied to PSUs only) by the diluted weighted average Common Shares outstanding during the year.

Inactive Share Option Plan

In 2021, in an effort to reduce future shareholder dilution, Topaz implemented the PSU Plan and DSU Plan and began to phase out future grants under its Share Option Plan. At this time, the Company also reduced the maximum number of Common Shares issuable under the Share Option Plan to 5% of the issued and outstanding Common Shares. The Share Option Plan is presently inactive because no options have been granted in the past three years, being 2023, 2024 and 2025, and the Company does not intend to grant any new options under the Share Option Plan. As no new option grants are being made, or additional entitlements are being allocated, under the Share Option, the Share Option Plan will not have any further dilutive impact on shareholders unless the Company determines to reactivate the Share Option Plan and allocate additional entitlements thereunder in the future with the prior approval of the Company's shareholders and in accordance with all applicable regulatory requirements such as the TSX.

Equity-Based Compensation Plan Dilution and Annual Grant Rate

At December 31, 2025, Topaz had 1,464,832 total Options outstanding which represents 1.0% of Topaz's 153,989,877 Common Shares outstanding at December 31, 2025. Topaz has no other class of shares outstanding. As discussed in the *"Executive Compensation Discussion & Analysis"* section of this circular, a portion of 2022 equity incentive compensation was awarded under the presently inactive Share Option Plan in order to balance the transition from the Share Option Plan which was in place at the Corporation's inception, to the PSU Plan, which was introduced in 2021. No Options were granted in 2023, 2024 or 2025.

The table below presents the Corporation's annual grant rate for the years ended December 31, 2025 through 2021.

Year	Total Options granted (#)	Weighted average Common Shares outstanding[1] (#)	Annual grant rate[2] (%)
2025	Nil	153,806,000	N/A
2024	Nil	146,521,000	N/A
2023	Nil	144,493,000	N/A
2022	729,000	142,546,000	0.5%
2021	400,000	123,703,000	0.3%

Notes:

(1) Topaz has no other class of shares.

(2) Calculated as the total Options granted during the year divided by the basic weighted average Common Shares outstanding during the year. The annual grant rates would be 0.5% and 0.3% for 2022 and 2021, respectively, if calculated using the Common Shares outstanding at December 31, 2022 and 2021 of 144,210,623 and 139,332,975, respectively.

See "Appendix B – Summary of Share Unit Plans" for additional information regarding the PSU Plan and DSU Plan.

Share Option Plan Retention Period

Topaz does not require a retention or holding period for exercised Options however directors and executives are required to comply with share ownership guidelines as discussed in *"Executive and Director Compensation - Share Ownership Guidelines"*. Furthermore, Topaz's LTIP awards are determined based on the achievement of corporate performance over a three-year period which aligns executives' compensation with Topaz's long-term success.

Director Compensation Discussion & Analysis

The compensation of the Corporation's directors is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of its shareholders. The Board, on the recommendation of the GC&S Committee, is responsible for reviewing and approving any changes to directors' compensation.

In 2025, Topaz paid annual director retainer fees of $120,000 in addition to $10,000 per year in respect of committee chair roles. Directors may elect to receive the retainer payable as 50% cash and 50% share-based awards (DSUs) or 100% DSUs. Topaz does not expect to award any future long-term compensation through its presently inactive Share Option Plan. Directors will be reimbursed for their reasonable out-of-pocket expenses incurred while serving as directors. The following table sets out information concerning the annual compensation paid by the Corporation to the directors, except for Mr. Staples as he did not receive compensation for serving as a director of the Corporation.

Name	Year	Fees earned[1] ($)	Option-based awards ($)	Share-based awards[2] ($)	All other compensation ($)	Total ($)
Michael L. Rose	2025	–	–	$120,000	–	$120,000
	2024	–	–	$120,000	–	$120,000
	2023	–	–	$120,000	–	$120,000
Tanya Causgrove[3]	2025	–	–	$130,000	–	$130,000
	2024	–	–	$130,000	–	$130,000
	2023	–	–	$120,000	–	$120,000
Jim Davidson	2025	–	–	$120,000	–	$120,000
	2024	–	–	$120,000	–	$120,000
	2023	–	–	$120,000	–	$120,000
John Gordon	2025	$70,000	–	$60,000	–	$130,000
	2024	$70,000	–	$60,000	–	$130,000
	2023	$70,000	–	$60,000	–	$130,000
Darlene Harris	2025	–	–	$130,000	–	$130,000
	2024	$70,000	–	$60,000	–	$130,000
	2023	$70,000	–	$60,000	–	$130,000
Steve Larke	2025	–	–	$130,000	–	$130,000
	2024	–	–	$130,000	–	$130,000
	2023	–	–	$130,000	–	$130,000
Brian G. Robinson	2025	–	–	$120,000	–	$120,000
	2024	–	–	$120,000	–	$120,000
	2023	–	–	$120,000	–	$120,000

Notes:

(1) Directors may elect to receive director retainer fees payable as 50% cash and 50% share-based awards (DSUs), or 100% DSUs.

(2) Represents DSUs granted based on the fair value on the grant date of July 1, calculated using the five-day volume weighted average price of the Common Shares on the TSX which was $25.41 per share in 2025 (2024 - $23.76, 2023 - $20.30).

(3) Compensation awarded to Ms. Causgrove is held for the benefit of ARC Financial or its affiliates pursuant to a written agreement between Ms. Causgrove and ARC Financial.

Directors participate in the insurance and indemnification arrangements described under "*Directors and Executive Officers — Insurance Coverage and Indemnification*".

Director Outstanding Option-Based Awards

The following table sets forth, for each director, information concerning the option-based awards that were outstanding at December 31, 2025. No options were granted to directors from 2021 through 2025.

Name	Option-based awards			
	Common Shares underlying unexercised Options (#)	Exercise prices of Options ($)	Option expiration dates	Value of unexercised in-the-money Options[1] ($)
Michael L. Rose	200,000	$10.00	December 17, 2026	$3,508,000
Tanya Causgrove[2]	200,000	$11.00	August 15, 2027	$3,308,000
Jim Davidson	133,333	$10.00	December 17, 2026	$2,338,661
John Gordon	Nil	N/A	N/A	Nil
Darlene Harris	50,000	$11.00	June 15, 2027	$827,000
Steve Larke	Nil	N/A	N/A	Nil
Brian G. Robinson	Nil	N/A	N/A	Nil

Notes:

(1) Calculated based on the difference between the December 31, 2025 closing price of the Common Shares on the TSX of $27.54, and the exercise price of the Options, if positive, multiplied by the number of Options.

(2) Option awards received by Ms. Causgrove are held for the benefit of ARC Financial or its affiliates pursuant to a written agreement between Ms. Causgrove and ARC Financial.

Director Option-Based Awards — Value Vested or Earned

The following table sets forth, for each director, information concerning the number of option-based awards presently awarded to the directors which had vested or been earned by December 31, 2025. No options were granted to directors from 2021 through 2025.

Name	Year	Compensation value of option-based awards issued by year[2] ($)	Actual value earned and received from option-based awards by year ($)
Michael L. Rose	2019	$3,508,000	–
Tanya Causgrove[1]	2020	$3,308,000	–
Jim Davidson	2019	$2,338,661	$322,668
John Gordon	2019	–	$1,722,623
Darlene Harris	2020	$827,000	$1,761,400
Steve Larke	2019	–	$1,722,779
Brian G. Robinson	2019	–	$1,828,671

Notes:

(1) Option awards received by Ms. Causgrove are held for the benefit of ARC Financial or its affiliates pursuant to a written agreement between Ms. Causgrove and ARC Financial.

(2) Calculated based on the difference between the December 31, 2025 closing price of the Common Shares on the TSX of $27.54, and the exercise price of the Options, if positive, multiplied by the number of vested Options at December 31, 2025.

Director Outstanding Share-Based Awards

The following table sets forth, for each director, information concerning the share-based awards that were outstanding at December 31, 2025.

Name	Year	Number of DSUs that have not vested (#)	Market value of DSUs that have not vested[1] ($)	Market value of vested DSUs not paid out or distributed[1] ($)
Michael L. Rose	2025	28,454	$783,623	–
Tanya Causgrove[2]	2025	29,264	$805,931	–
Jim Davidson	2025	28,454	$783,623	–
John Gordon	2025	14,383	$396,108	–
Darlene Harris	2025	17,072	$470,163	–
Steve Larke	2025	26,175	$720,860	–
Brian G. Robinson	2025	28,454	$783,623	–

Notes:

(1) Calculated based on the December 31, 2025 closing price of the Common Shares on the TSX of $27.54.

(2) Share-based awards received by Ms. Causgrove are held for the benefit of ARC Financial or its affiliates pursuant to a written agreement between Ms. Causgrove and ARC Financial.

4. Other Information

Confidential Voting

Odyssey Trust Company counts and tabulates the votes. It does this independently of us to ensure the votes of individual shareholders are confidential. Proxy or voting instruction forms are referred to us only when a shareholder wants to communicate with management, the validity of the form is in question, or the law requires it.

Interest in the business of the meeting

To the best of our knowledge, none of the following people has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the meeting (other than the election of directors):

- anyone who has been a director or executive officer of Topaz at any time since January 1, 2025;
- any of the nominees for director; or
- any of their associates or affiliates.

Interest in material transactions

Other than the publicly announced transactions with Tourmaline, to the best of our knowledge, none of the following people have a material interest, direct or indirect, in any transaction since January 1, 2025, or in any proposed transaction, that has materially affected or will materially affect the Corporation or any of its subsidiaries:

- anyone who beneficially owns or exercises control or direction over 10% or more of our common shares;
- any of the nominees for director; or
- any of their associates or affiliates.

Indebtedness to the company

None of the following people is currently indebted to the Corporation or has been at any time:

- anyone who has been a director or executive officer of Topaz at any time since January 1, 2025;
- any of the nominees for director; or
- any of their associates or affiliates.

Website References

Information contained in or otherwise accessible through Topaz's website and other websites, though referenced herein, does not form part of this circular and is not incorporated by reference into this circular.

Forward-Looking Statements

This circular contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") that relate to the Company's current expectations and views of future events. These forward-looking statements relate to future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this circular should not be unduly relied upon. These statements speak only as of the date of this circular. In particular and without limitation, this circular contains forward-looking statements pertaining to the following: the business of and procedure and timing for the meeting; the composition of the Board following the meeting; management's expectation that none of the nominees for director will be unable to serve as director; the methods and practices and the intended goals of compensation for employees, directors and NEOs (including the intention to no longer use the Share Option Plan as a component of the Company's long-term incentive program) and Topaz's corporate governance; Topaz's sustainability practices and commitments; Topaz's diversity goals and targets; and the Company's business as described under the heading "About Topaz" in the accompanying letter to shareholders. Forward-looking statements are based on a number of assumptions including those highlighted in this circular including future commodity prices, capital expenditures, infrastructure ownership capacity utilization and operator development plans and is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, potential political, geopolitical and economic instability; trade policy, barriers, disputes or wars (including new tariffs or changes to existing international trade arrangements); the failure to complete acquisitions on the terms or on the timing announced or at all and the failure to realize some or all of the anticipated benefits of acquisitions including estimated royalty production, royalty

production revenue and free cash flow per share growth, and the factors discussed in the Company's recently filed Management's Discussion and Analysis (See "Forward-Looking Statements" therein), 2025 Annual Information Form (See "Risk Factors" and "Forward-Looking Statements" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca) or Topaz's website (www.topazenergy.ca).

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

Without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time is dependent upon, among other things, FCF, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Topaz to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility. Topaz does not undertake any obligation to update such forward-looking statements, whether because of new information, future events or otherwise, except as expressly required by applicable law.

Non–GAAP and Other Financial Measures

Certain financial terms and measures contained in this circular are "specified financial measures" (as such term is defined in National Instrument 52-112 - *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112")). The specified financial measures referred to in this circular are comprised of "non-GAAP financial measures", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 52-112). Refer to Topaz's most recently filed MD&A for tables providing reconciliation of Non-GAAP and Other Financial Measures to the nearest GAAP measure, as applicable.

Oil and Gas Metrics

This circular contains certain oil and gas metrics which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included in this document to provide readers with additional measures to evaluate the Corporation's performance; however, such measures are not reliable indicators of the Corporation's future performance and future performance may not compare to the Corporation's performance in previous periods and therefore such metrics should not be unduly relied upon.

BOE Equivalency

In this circular, production and reserves information may be presented on a "barrel of oil equivalent" or "boe" basis. The boe measure 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. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Third-Party Information

This circular includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by Topaz to be true. Although Topaz believes it to be reliable, it has not independently verified any of the data from third-party sources referred to in this circular 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. Topaz 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 circular are not guaranteed and Topaz makes no representation as to the accuracy of such information.

General

See also "Forward-Looking Statements", and "Non-GAAP and Other Financial Measures" in the Corporation's most recently filed Management's Discussion and Analysis.

Our principal corporate office:

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Contact us at the address above for a copy of our annual report the year ended December 31, 2025. Financial information about Topaz can be found in our consolidated financial statements and MD&A for our most recently completed financial year. You can also find these documents and other important information about Topaz on our website (www.topazenergy.ca) and on SEDAR+ (www.sedarplus.ca).

APPENDIX A

Board of Directors' Mandate

GENERAL

The Board of Directors (the "**Board**") of Topaz Energy Corp. (the "**Corporation**" or "**Topaz**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Topaz. In general terms, the Board will:

- in consultation with the chief executive officer of the Corporation (the "CEO"), define the principal objectives of Topaz;
- supervise the management of the business and affairs of Topaz with the goal of achieving Topaz's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

SPECIFIC

Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Establish processes as required that adequately provides for succession planning, including the appointment, training and monitoring of senior management.
- Establish limits of authority delegated to management.

Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of Topaz's strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Establish or cause to be established systems to identify the principal risks to Topaz and ensure that the best practical procedures are in place to monitor and mitigate the risks.
- Establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters.
- Establish or cause to be established an adequate system of internal control.
- Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding Topaz's financial and other disclosure.
- Review and approve Topaz's financial statements and oversee Topaz's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.

- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets.

- Review operating and financial performance results relative to established strategy, budgets and objectives.

Integrity/Corporate Conduct

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.

- Approve a Code of Business Conduct and Ethics (the "Code") for directors, officers, employees and contractors and monitor compliance with the Code and approve any waivers of the Code for officers and directors.

- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation and that the CEO and other executive officers create a culture of integrity throughout Topaz and demonstrate a commitment to conducting business ethically and legally and in a manner that is fiscally, environmentally and socially responsible.

Board Process/Effectiveness

- Attempt to ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to such meetings. Directors are expected to attend all meetings.

- Engage in the process of determining Board member qualifications with the Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.

- Approve the nomination of directors.

- Provide a comprehensive orientation to each new director.

- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.

- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.

- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.

- Review and re assess the adequacy of the mandate of the committees of the Board on a regular basis.

- Appoint members to committees and appoint the chairperson of each committee, having received the recommendation of the Committee. In this regard, consideration should be given to rotating committee members from time to time and to the special skills of particular directors.

- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

Each member of the Board is expected to understand the nature and operations of Topaz's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which Topaz operates, or is contemplating potential operations.

Independent directors shall meet regularly, and in no case less frequently than quarterly, without non independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Corporation, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

DELEGATION

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.

- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of Topaz, the Chair of the Board will act as a liaison between stakeholders of Topaz and the Board (including independent members of the Board).

APPENDIX B

Summary of Share Unit Plans

Performance Share Unit Plan

The following is a summary of the material terms of Topaz Energy Corp.'s ("T**opaz**" or the "**Company**") performance share unit plan, as amended (the "**PSU Plan**").

The PSU Plan permits the grant of performance share unit awards ("**PSUs**") to Participants (as defined below) of Topaz and its subsidiaries, partnerships, trusts or other controlled entities (each, a "**Topaz Entity**").

Under the terms of the PSU Plan, PSUs may be granted to a Participant (as defined below), who will have the right to receive, at the election of Topaz, either a cash payment or the issuance of Common Shares on the Unit Release Date (as defined below).

Purpose of the PSU Plan and Eligibility

The principal purpose of the PSU Plan is to develop the interest of Executive Officers and consultants of Topaz and the Topaz Entities in the growth and development of Topaz by providing them with the opportunity to acquire an increased proprietary interest in Topaz.

Any individual who is a bona fide Executive Officer, Employee or Consultant of Topaz or the Topaz Entities are eligible to participate in the PSU Plan (the "**Participants**").

Grants of PSUs

The PSU Plan will be administered by the Board or an appointee of the Board (which may be an officer or a committee of the Board, as determined in the Board's sole discretion). Under the PSU Plan, the Board may from time to time grant PSUs to a Participant in such numbers, at such times and on such terms and conditions, consistent with the PSU Plan, as the Board may in its sole discretion determine, provided, however, that no PSUs shall be granted after December 15 of a given calendar year. The particulars of a grant of PSUs may be set out in a grant agreement between the Participant and Topaz (the "**Grant Agreement**").

The Board shall have discretion to apply vesting conditions on PSUs granted to a Participant. The Board may make vesting of PSUs contingent on a Participant's continued employment with, or provision of consulting services to, Topaz or a Topaz Entity, among other terms and conditions, including, without limitation, the satisfaction of certain performance criteria set by the Board based on corporate and personal performance (the "**Performance Criteria**"). The additional terms and conditions may apply to all or a portion of the PSUs granted to a particular Participant, and may provide for graduated vesting contingent upon the satisfaction of certain conditions (where such graduated vesting may be in the form of different percentages which may be greater or lesser than 100%). The Board may, in its discretion, subsequent to the grant date of a PSU, waive any such term or condition included in a Grant Agreement, or determine that such terms and conditions have been satisfied, subject to applicable law including any applicable requirements of the TSX. For greater certainty, no term or condition imposed under a Grant Agreement may have the effect of causing settlement and payout of a PSU to occur after December 31 of the third calendar year following the service year in respect of which such PSU was granted.

Participant's Account and Term

The Corporation shall maintain, in its books, an account for each Participant (the "**Account**") recording at all times the number of PSUs standing to the credit of such Participant. PSUs that: (i) fail to vest in a Participant pursuant to the provisions of the PSU Plan or Grant Agreement, or (ii) that are paid out to the Participant, shall be cancelled and shall cease to be recorded in the Participant's Account as of the date on which such PSUs are forfeited or cancelled under the PSU Plan or are paid out, as the case may be.

Limits on Issuances

Unless otherwise approved by the shareholders, the aggregate number of Common Shares that may be reserved for issuance pursuant to PSUs created under the PSU Plan, together with all other security-based compensation

arrangements that provide for the issuance of Common Shares (including the Share Option Plan and DSU Plan), shall not exceed ten percent (10%) of the issued and outstanding Common Shares from time to time.

The number of Common Shares issuable to Insiders (as defined by the TSX for this purpose) at any time, under all security based compensation arrangements of Topaz, shall not exceed ten percent (10%) of the issued and outstanding Common Shares and the number of Common Shares issued to Insiders, within any one year period, under all security based compensation arrangements of Topaz, shall not exceed ten percent (10%) of the issued and outstanding Common Shares.

PSUs that are granted under the PSU Plan that expire, terminate, or are cancelled or settled for any reason without being in the form of Common Shares issued, shall result in the Common Shares that were reserved for issuance under the PSU Plan being available for a subsequent grant of PSUs pursuant to the PSU Plan.

Any increase in the issued and outstanding Common Shares (whether it is a result of settlement of PSUs or otherwise) will result in an increase in the number of Common Shares that may be issued pursuant to PSUs outstanding at any time and any increase in the number of PSUs granted will, upon the issue of Common Shares pursuant thereto, make new grants available under the PSU Plan.

Vesting and Payout of PSUs

The number of PSUs subject to each grant, the expiry date of each PSU, the vesting dates with respect to each grant of PSUs and other terms and conditions relating to each such PSU shall be determined by the Board. The Board may, in its discretion, subsequent to the time of granting PSUs, permit the vesting of all or any portion of unvested PSUs then outstanding and granted to the Participant under the PSU Plan, in which event all such unvested PSUs then outstanding and granted to the Participant shall be deemed to be immediately vested.

On a date (a "**Unit Release Date**") to be selected by the Board following the date a PSU has become a vested PSU, which date shall not, in any event, extend beyond December 15 of the third calendar year following the service year in respect of which the particular PSUs were granted, Topaz shall either (i) make a cash payment to the Participant equal to the product of the number of vested PSUs recorded in the Participant's Account multiplied by the Fair Market Value (as defined below) of the Common Shares on the Unit Release Date, less applicable withholding taxes, or (ii) issue from treasury of Topaz that number of Common Shares in exchange for the vested PSUs, less applicable withholding taxes.

In the event Topaz elects to settle the PSUs through the issuance of Common Shares, Topaz has the option to either: (i) issue to the Participant that number of Common Shares from treasury equal to the number of PSUs in the Participant's Account that are being settled; or (ii) pay to a broker designated by Topaz the cash amount to settle the PSUs less applicable withholding taxes, and the broker will, as soon as practicable thereafter use all of the cash to purchase Common Shares on behalf of such Participant on the TSX.

When PSUs become vested PSUs, all fractional PSUs shall be rounded down to the whole number.

Fair Market Value Determination

The "**Fair Market Value**" of a Common Share for the purposes of the PSU Plan means, where the Common Shares are listed on the TSX (or such other exchange on which the Common Shares are then listed and posted for trading), the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding a particular date. If the Common Shares are not listed on any stock exchange, the "**Fair Market Value**" of a Common Share on a particular date shall be determined by the Board in its sole discretion.

Dividend Equivalents

On any date on which a cash dividend is paid on the Common Shares, a Participant's Account will be credited with a dividend equivalent in the form of a number of PSUs (including fractional PSUs, computed to three digits) calculated by multiplying the amount of the dividend per Common Share by the aggregate number of PSUs that were credited to the Participant's Account as of the record date for payment of the dividend, and dividing that amount by the Fair Market Value on the date on which the dividend is paid.

Black Out Periods

If on the Unit Release Date a Black-Out Period (as defined below) has been imposed upon a Participant which is still in effect, then the Unit Release Date shall occur within ten days following the expiry of the Black-Out Period.

A "**Black-Out Period**" will be any period of time imposed by Topaz pursuant to any insider trading policy of Topaz in effect at the applicable time upon certain designated persons during which those persons may not trade in securities of Topaz.

Payout Multiplier

Prior to the Unit Release Date in respect of any PSUs, or prior to the Unit Release Date in the case of a change of control or otherwise to the extent that the performance determination has not yet been made, the Board shall assess the performance of Topaz for the applicable period. The individual measures considered by the Board, including the comparative weighting of such measures, shall be determined by the Board in its sole discretion having regard to the principal purposes of the PSU Plan and, upon the assessment of the Performance Criteria, the Board shall determine Topaz's ranking. Measures that may be considered by the Board may include, but are not limited to, actual performance against Topaz's strategic plan, total shareholder return of Topaz against certain peer group members, and the attainment of certain operational, growth and financial milestones and metrics. A payout multiplier in respect of this ranking shall be determined in the range of 0.0 to 2.0 by the Board, in its sole discretion (the "**Payout Multiplier**"). Immediately prior to each Unit Release Date, the notional number of vested PSUs shall be adjusted by multiplying such number by the Payout Multiplier applicable to such PSUs.

Termination of Employment of Participant

Except in cases of termination of employment without cause as detailed in the paragraph below, upon the termination of the employment of a Participant (as a result of the Participant ceasing to be actively employed by, or provide services as a consultant to Topaz or a Topaz Entity), any PSUs standing to the credit of such Participant which have not become vested PSUs on or before the date of the Participant's termination (the "**Termination Date**"), shall immediately terminate and become null and void as of such date. For greater certainty, no PSUs shall vest during any reasonable notice period.

Subject to any provisions to the contrary in the employment or consulting agreement of any particular Participant, upon the termination of employment without cause of such Participant, unless otherwise determined by the Board in its sole discretion, those PSUs awarded to such Participant that have not yet become vested PSUs, but would be eligible for vesting and issuance during the notice period specified in such Participant's employment or consulting agreement, shall vest on the Termination Date.

Death of Participant

Where the Participant's Termination Date occurs as a result of the Participant's death, any PSUs standing to the credit of such Participant shall continue to vest (and be paid out) in the normal course for a period of twelve (12) months extending from the Participant's Termination Date. Any PSUs granted to such Participant which have not become vested PSUs on or before the date that is the first anniversary of the Participant's Termination Date shall terminate and become null and void as of such date.

Change of Control

In the event of a Change of Control (as such term is defined in the PSU Plan) or a determination by the Board that a Change of Control is expected to occur, the Board shall have the authority to take all necessary steps so as to ensure the preservation of the economic interests of the Participants in, and to prevent the dilution or enlargement of, any PSUs, including, without limitation: (i) ensuring that Topaz or any entity which is or would be the successor to Topaz or which may issue securities in exchange for Common Shares upon the Change of Control becoming effective will provide each Participant with new or replacement or amended PSUs which will continue to vest and be exercisable following the Change of Control on similar terms and conditions as provided in the PSU Plan; (ii) causing all or a portion of the outstanding PSUs to become vested PSUs prior to the Change of Control; or (iii) any combination of the above.

Adjustments to PSUs

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of Topaz or other distribution of Topaz's assets to shareholders of Topaz (other than the payment of ordinary course cash or stock dividends in respect of the Common Shares), the number of PSUs then outstanding under the PSU Plan shall be adjusted in such manner, if any, as Topaz may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the PSU Plan. Adjustments shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

Amendment of the PSU Plan

Subject to the policies, rules and regulations of any lawful authority having jurisdiction over Topaz (including the TSX or any other stock exchange on which the Common Shares are then listed and posted for trading), the Board may at any time, without further action by, or approval of, the shareholders, amend the PSU Plan or any PSU granted under the PSU Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to: ensure that PSUs granted under the PSU Plan will comply with any provisions respecting share units or other security based compensation arrangements in the Income Tax Act (Canada) or other laws in force in any country or jurisdiction of which a Participant to whom a PSU has been granted may from time to time perform services or be resident; make amendments of a procedural or "housekeeping" nature; change the termination provisions of a PSU granted under the PSU Plan which does not entail an extension of the expiry date of the PSU beyond the original expiry date of the PSU; or suspend or terminate the PSU Plan.

Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by law, alter or impair any of the rights or obligations under any PSU theretofore granted.

Notwithstanding the above, approval of the shareholders will be required in order to: increase the maximum number of Common Shares reserved for issuance under the PSU Plan; amend the determination of Fair Market Value under the PSU Plan in respect of any PSU; extend the expiry date of any PSU; remove or increase any limit on grants of PSUs to Insiders; expand the circumstances under which PSUs may be assigned or transferred pursuant to the PSU Plan; amend the class of eligible Participants under the PSU Plan; amend the provisions regarding amendment to the PSU Plan; or grant additional powers to the Board to amend the PSU Plan or any PSU without the approval of shareholders.

Termination of PSU Plan

Upon termination of the PSU Plan, subject to a resolution of the Board to the contrary, all unvested PSUs shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of the PSU Plan existing at the time of its termination and the applicable Grant Agreement, provided that no further PSUs will be credited to the Account of any Participant. The effective date of the PSU Plan's termination shall be the date upon which no further PSUs remain outstanding.

Transferability of Rights under PSU Plan

PSUs under the PSU Plan are not assignable nor transferable by a Participant in whole or in part, either directly, by operation of law or otherwise, except through devolution by death, and no right or interest of any Participant under the PSU Plan or to receive any payment (whether in cash or Common Shares) shall be liable for or subject to any obligation or liability of such Participant. Subject to the requirements of applicable law, a Participant may designate in writing a beneficiary under the PSU Plan.

Misconduct

Subject to the terms of any particular grant under the PSU Plan, and unless otherwise determined by the Board, if it is determined that there has been Misconduct by a Participant, any PSUs accumulated and remaining on a Participant's Account as at the determination date of such Misconduct, including dividend equivalents in respect of such PSUs, shall be forfeited and cancelled immediately. "**Misconduct**" for the purposes of the PSU Plan shall mean (i) serious misconduct, including conduct which has a significant negative impact on the reputation or operations of Topaz or the Topaz Entities; (ii) fraud; (iii) a wilful breach of the provisions of applicable Corporation policies in effect from time to time; or (iv) failure to act in accordance with the directors' fiduciary obligations.

Deferred Share Unit Plan

The following is a summary of the material terms of Topaz Energy Corp.'s ("**Topaz**" or the "**Company**") deferred share unit plan, as amended (the "**DSU Plan**").

The DSU Plan allows the Board (or an appointee of the Board) to grant deferred share units ("**DSUs**"), each of which is a unit that is equivalent in value to a Common Share (or cash equivalent thereof). DSUs will be fully vested upon grant and a Participant (as defined below) will have the right to receive, at the election of Topaz, either a cash payment or the issuance of Common Shares on the Redemption Date (as defined below).

Purpose of the DSU Plan and Eligibility

The principal purposes of the DSU Plan are to provide non-employee directors of Topaz and the Topaz Entities with the opportunity to acquire DSUs to enable them to participate in the long-term success of Corporation and to promote a greater alignment of interests between directors of Topaz and its shareholders.

Any individual who is a non-employee member of the Board (an "**Eligible Director**") of Topaz or of a Topaz Entity is eligible to participate in the DSU Plan.

Grants of DSUs

The DSU Plan will be administered by the Board or an appointee of the Board (which may be an officer or a committee of the Board, as determined in the Board's sole discretion), which, from time to time in its sole discretion, will grant DSUs to Eligible Directors ("**Participants**").

Discretionary Grants

The Board may grant DSUs to Participants in its sole discretion. In respect of each discretionary grant of DSUs, the Board will determine, among other things, the number of DSUs allocated to the Participant and such other terms and conditions of the DSUs applicable to each grant.

Elected Grants

In addition to the discretionary grants discussed above, a Participant may elect to receive all or a portion (the "**Elected Amount**") of that Participant's total cash compensation (which includes annual retainer, attendance fee and discretionary compensation payable to such director) in the form of DSUs, to be determined at the beginning of each financial quarter. Each Participant may elect, with respect to any financial quarter, to be paid a percentage (from 0 to 100% in 25% increments) of their total cash compensation in DSUs. If the Participant fails to make an election in accordance with the procedures as outlined in the DSU Plan, the total cash compensation for such quarter will be paid in cash. All elections under the DSU Plan are irrevocable.

The number of DSUs to be credited to a Participant for services in a financial quarter will be determined by dividing the total amount of compensation that the Participant elected to receive in DSUs (payable by Topaz on the last day of such financial quarter (the "**Purchase Date**")) by the Fair Market Value (as defined below) as at the Purchase Date, or such other date as otherwise determined by the Board in its discretion.

Limits on Issuances

Unless otherwise approved by the shareholders, the aggregate number of Common Shares that may be reserved for issuance pursuant to DSUs created under the DSU Plan, together with all other security-based compensation arrangements that provide for the issuance of Common Shares (including the Share Option Plan and PSU Plan), shall not exceed ten percent (10%) of the issued and outstanding Common Shares from time to time.

The number of Common Shares issuable to Insiders (as defined by the TSX for this purpose) at any time, under all security based compensation arrangements of Topaz, shall not exceed ten percent (10%) of the issued and outstanding Common Shares and the number of Common Shares issued to Insiders, within any one year period, under all security based compensation arrangements of Topaz, shall not exceed ten percent (10%) of the issued and outstanding Common Shares.

The aggregate number of Common Shares that may be reserved for issuance pursuant to DSUs credited under the DSU Plan to independent directors, together with all other security-based compensation arrangements of Topaz that provide for the issuance of Common Shares to independent directors, shall not exceed one percent (1%) of the issued and outstanding Common Shares from time to time.

DSUs that are granted under the DSU Plan that expire, terminate, or are cancelled or settled for any reason without being in the form of Common Shares issued, shall result in the Common Shares that were reserved for issuance under the DSU Plan being available for a subsequent grant of DSUs pursuant to the DSU Plan.

Any increase in the issued and outstanding Common Shares (whether it is a result of settlement of DSUs or otherwise) will result in an increase in the number of Common Shares that may be issued pursuant to DSUs outstanding at any

time and any increase in the number of DSUs granted will, upon the issue of Common Shares pursuant thereto, make new grants available under the DSU Plan.

Vesting

DSUs will be fully vested upon being granted and credited to an account maintained by Topaz for each Participant (an "**Account**").

Fair Market Value Determination

The "**Fair Market Value**" of a Common Share for the purposes of the DSU Plan means, where the Common Shares are listed on the TSX (or such other exchange on which the Common Shares are then listed and posted for trading), the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding a particular date. If the Common Shares are not listed on any stock exchange, the "**Fair Market Value**" of a Common Share on a particular date shall be determined by the Board in its sole discretion.

Dividend Equivalents

On any date on which a cash dividend is paid on the Common Shares, a Participant's Account will be credited with a dividend equivalent in the form of a number of DSUs (including fractional DSUs, computed to three digits) calculated by multiplying the amount of the dividend per Common Share by the aggregate number of DSUs that were credited to the Participant's Account as of the record date for payment of the dividend, and dividing that amount by the Fair Market Value on the date on which the dividend is paid.

Termination of Service and Payout of DSUs

A Participant will have the right to receive, at the election of Topaz, either a cash payment or the issuance of Common Shares in respect of the settlement of the DSUs recorded in the Participant's Account, on the later of the following dates (the "**Redemption Date**"): (i) the third business day following the date on which the Participant ceases to serve as a director of, and is not an employee or officer of, Topaz or a Topaz Entity (the "**Separation Date**"); or (ii) such later date as may be agreed in writing between Topaz and the Participant before the Separation Date, provided that in no event shall the Redemption Date be deferred to a date that is later than December 15th of the calendar year commencing immediately after the Separation Date.

A Participant (or in the event of the Participant's death, his beneficiary or legal representative) who is not a U.S. Director (as such term is defined in the DSU Plan) will receive (a) a payment (the "**Cash Payment**") equal in value to the number of DSUs recorded in the Participant's Account on the Separation Date multiplied by the Fair Market Value per Common Share on the Redemption Date, less any applicable withholding taxes, or (b) issuance from treasury of Topaz of that number of Common Shares for the DSUs recorded on the Participant's Account, less applicable withholding taxes. Upon payment in full of the Cash Payment less any withholding taxes, or upon receipt of the Common Shares issued less any applicable withholding taxes, the DSUs will be cancelled and no further payments will be made to the Participant under the DSU Plan for such DSUs.

A Participant (or in the event of the Participant's death, his beneficiary or legal representative) who is a U.S. Director (as such term is defined in the DSU Plan) will receive cash equal to the Fair Market Value of the Common Shares on the Separation Date multiplied by the number of DSUs recorded on the Participant's Account, net of any applicable withholding tax.

In the event Topaz elects to settle the DSUs through the issuance of Common Share, Topaz has the option to either: (i) issue to the Participant that number of Common Shares from treasury equal to the number of DSUs in the Participant's Account that are being settled; or (ii) pay to a broker designated by Topaz the Cash Payment less withholding taxes, and the broker will, as soon as practicable thereafter use all of the cash to purchase Common Shares on behalf of such Participant on the TSX.

Black Out Periods

If on the Redemption Date a Black-Out Period (as defined below) has been imposed upon a Participant which is still in effect, then the Redemption Date shall occur within ten days following the expiry of the Black-Out Period.

A "**Black-Out Period**" will be any period of time imposed by Topaz pursuant to any insider trading policy of Topaz in effect at the applicable time upon certain designated persons during which those persons may not trade in securities of Topaz.

Death of Participant

In the event of the death of a Participant, Topaz will, within two months of the Participant's death, pay cash equal to the Fair Market Value of the Common Shares multiplied by the number of DSUs recorded on the Participant's Account which would be deliverable to the Participant if the Participant had ceased being a director, in respect of the DSUs credited to the deceased Participant's Account (net of any applicable withholding tax) to or for the benefit of the Participant's beneficiary. The Fair Market Value will be calculated on the date of death of the Participant.

Adjustments to DSUs

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of Topaz or other distribution of Topaz's assets to shareholders of Topaz (other than the payment of ordinary course cash or stock dividends in respect of the Common Shares), the number of DSUs then outstanding under the DSU Plan shall be adjusted in such manner, if any, as Topaz may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the DSU Plan. Adjustments shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

Amendment of the DSU Plan

Subject to the policies, rules and regulations of any lawful authority having jurisdiction over Topaz (including the TSX), the Board may at any time, without further action by, or approval of, the shareholders, amend the DSU Plan or any DSU granted under the DSU Plan in such respects as it may consider advisable and, without imitating the generality of the foregoing, it may do so to: ensure that DSUs granted under the DSU Plan will comply with any provisions respecting deferred share units or other security based compensation arrangements in the Income Tax Act (Canada) or other laws in force in any country or jurisdiction of which a Participant to whom a DSU has been granted may from time to time perform services or be resident; make amendments of a procedural or "housekeeping" nature; suspend or terminate the DSU Plan. Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by law, alter or impair any of the rights or obligations under any DSUs theretofore granted. Shareholder approval shall be obtained for any amendments as required by the TSX, including, among other things, in relation to an amendment to remove or exceed insider participation limits under the DSU Plan and amendments to the amending provision.

Transferability of Rights under DSU Plan

DSUs under the DSU Plan are not assignable nor transferable by a Participant in whole or in part, either directly, by operation of law or otherwise, except through devolution by death, and no right or interest of any Participant under the DSU Plan or to receive any payment (whether in cash or Common Shares) shall be liable for or subject to any obligation or liability of such Participant. Subject to the requirements of applicable law, a Participant may designate in writing a beneficiary under the DSU Plan.

Misconduct

Subject to the terms of any particular grant under the DSU Plan, and unless otherwise determined by the Board, if it is determined that there has been Misconduct by a Participant, any DSUs accumulated and remaining on a Participant's Account as at the determination date of such Misconduct, including dividend equivalents in respect of such DSUs, shall be forfeited and cancelled immediately. "**Misconduct**" for the purposes of the DSU Plan shall mean (i) serious misconduct, including conduct which has a significant negative impact on the reputation or operations of Topaz or the Topaz Entities; (ii) fraud; (iii) a wilful breach of the provisions of applicable Corporation policies in effect from time to time; or (iv) failure to act in accordance with the directors' fiduciary obligations.