TOPAZ ENERGY CORP.
Q3 2026 Report

MANAGEMENT'S DISCUSSION AND ANALYSIS

As at September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025

FINANCIAL STATEMENTS

As at September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025

Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of Topaz Energy Corp. ("Topaz" or the "Company") for the three and nine months ended September 30, 2026 and 2025, should be read in conjunction with the interim condensed consolidated financial statements as at September 30, 2026, and for the three and nine months ended September 30, 2026 and 2025, together with the accompanying notes ("Financial Statements"). This MD&A is dated November 2, 2026.

The Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). During the fourth quarter of 2025, the Company voluntarily changed its accounting policy with respect to the assets subject to depletion for royalty assets, and as a result certain comparative information including depletion, deferred income tax expense, net income and comprehensive income, and deficit were adjusted in the 2025 Management Discussion and Analysis. There have been no changes to any of the Company's cash flow metrics as a result of the change in policy.

Certain financial terms and measures contained in this MD&A 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 MD&A are comprised of "non-GAAP financial measures", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 52-112). These measures are defined, qualified, and where required, reconciled with the nearest GAAP measure in the *"Non-GAAP and Other Financial Measures"* section of this MD&A.

The non-GAAP financial measures used herein do not have a standardized meaning prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that the non-GAAP financial measures should not be considered in isolation nor as an alternative to net income or other financial information determined in accordance with GAAP, as an indication of the Company's performance.

The following volumetric measures may be abbreviated throughout this MD&A: barrel ("bbl") per day ("bbl/d"); barrel of oil equivalent ("boe") per day ("boe/d"); thousand cubic feet ("mcf") per day ("mcf/d"); and million cubic feet ("mmcf") per day ("mmcf/d"). Barrel of oil equivalent is an industry measurement to summarize the amount of energy equivalent found in a barrel of crude oil. Further information including energy conversions, forward-looking statements and certain other abbreviations, can be found in the *"Advisories and Forward-Looking Statements"* section of this MD&A.

The Common Shares of the Company trade on the Toronto Stock Exchange under the symbol "TPZ".

Highlights

Highlights of Topaz's financial results for the three and nine months ended September 30, 2026, as compared to the three and nine months ended September 30, 2025 ("Q3 2026", "YTD 2026" "Q3 2025" and "YTD 2025", respectively) are presented below:

Royalty activity update

- Topaz's Q3 2026 average royalty production[(3)] of 23,507 boe/d increased 9% relative to 21,596 boe/d during Q3 2025. Q3 2026 royalty production revenue of $81.5 million increased 56% relative to Q3 2025 ($52.3 million), attributed to the production increase and 42% higher realized pricing compared to Q3 2025.

- Topaz's YTD 2026 average royalty production[(3)] of 24,112 boe/d increased 9% relative to 22,086 boe/d during YTD 2025. YTD 2026 royalty production revenue of $241.6 million increased 35% relative to YTD 2025 ($179.3 million), attributed to higher production and 23% higher realized pricing compared to YTD 2025.

- During Q3 2026, 175 gross wells were spud[(4)] on Topaz's royalty acreage, representing a 9% increase from the prior year (Q3 2025 – 161 gross wells). During YTD 2026, 473 gross wells were spud[(4)] on Topaz's royalty acreage (YTD 2025 – 504 gross wells).

Infrastructure activity update

- Topaz generated $21.1 million of processing revenue during Q3 2026, 1% lower than Q3 2025 ($21.2 million). Average daily utilization of Topaz's natural gas processing capacity was 98% during Q3 2026 and 99% during Q3 2025 (82% and 81%, respectively, of which was contracted under fixed take-or-pay).

- Topaz generated $62.8 million of processing revenue during YTD 2026, 3% higher than YTD 2025 ($61.0 million). Average daily utilization of Topaz's natural gas processing capacity was 97% during YTD 2026 and 98% YTD 2025 (81% and 80%, respectively, of which was contracted under fixed take-or-pay).

- Topaz generated $1.8 million and $5.7 million of other income during Q3 2026 and YTD 2026, respectively, which is attributable to contracted interest in third-party infrastructure income (Q3 2025 and YTD 2025 - $2.9 million and $9.5 million, respectively).

Financial performance

- Cash flow and FCF[(1)] of $87.0 million and $85.4 million generated during Q3 2026 increased 16% and 17%, respectively, compared to Q3 2025 ($74.8 million and $73.0 million, respectively). Cash flow and FCF[(1)] of $255.5 million and $250.7 million generated during YTD 2026 both increased 10% compared to YTD 2025 ($232.2 million and $227.8 million, respectively).

Dividend

- During Q3 2026, Topaz paid dividends of $54.3 million ($0.35 per common share) representing a payout ratio[(1)] of 62% compared to $52.3 million ($0.34 per common share) during Q3 2025 representing a payout ratio[(1)] of 70%. During YTD 2026, Topaz paid dividends of $161.1 million ($1.04 per common share) representing a payout ratio[(1)] of 63% compared to $155.3 million ($1.01 per common share) during YTD 2025 representing a payout ratio[(1)] of 67%.

Capital resources

- As at November 2, 2026, 155.2 million common shares were outstanding, of which Tourmaline owned 5.4%.

- Topaz generated $89.6 million of Excess FCF[(1)] during YTD 2026, which was allocated to acquisitions[(1)] ($41.4 million) and debt reduction. Topaz ended Q3 2026 with net debt[(1)] of $463.5 million, which decreased 10% from $517.5 million at December 31, 2025.

(1) Refer to "*Non-GAAP and Other Financial Measures*".
(2) Includes wells drilled during the current and previous periods on Topaz royalty acreage.
(3) Refer to "*Supplemental Information Regarding Product Types*".
(4) May include non-producing injection wells.

Selected Financial Information

For the periods ended ($000s) except per share	YTD 2026	YTD 2025	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
Royalty production revenue	241,605	179,342	81,458	88,932	71,215	62,468	52,291
Processing revenue	62,830	60,977	21,051	20,742	21,037	21,930	21,221
Other income[4]	5,686	9,467	1,825	1,540	2,321	2,320	2,931
Total	**310,121**	**249,786**	**104,334**	**111,214**	**94,573**	**86,718**	**76,443**
Cash expenses:							
Operating	(4,498)	(5,503)	(866)	(1,877)	(1,755)	(1,027)	(1,545)
Marketing	(1,397)	(1,122)	(393)	(532)	(472)	(415)	(307)
General and administrative	(6,014)	(5,936)	(1,936)	(1,880)	(2,198)	(3,338)	(1,864)
Realized gain (loss) on financial instruments	(3,138)	14,724	1,170	(2,522)	(1,786)	5,102	8,737
Current income tax expense[8]	(22,209)	—	(9,523)	(10,186)	(2,500)	—	—
Interest expense	(17,344)	(19,741)	(5,791)	(5,828)	(5,725)	(6,486)	(6,620)
Cash flow	**255,521**	**232,208**	**86,995**	**88,389**	**80,137**	**80,554**	**74,844**
Per basic share[1][2]	$1.65	$1.51	$0.56	$0.57	$0.52	$0.52	$0.49
Per diluted share[1][2]	$1.65	$1.50	$0.56	$0.57	$0.52	$0.52	$0.49
Cash from operating activities	274,000	239,617	100,066	90,530	83,404	69,143	78,147
Per basic share[1][2]	$1.77	$1.56	$0.65	$0.58	$0.54	$0.45	$0.51
Per diluted share[1][2]	$1.77	$1.55	$0.64	$0.58	$0.54	$0.45	$0.51
Net income	118,543	96,047	32,021	52,483	34,039	32,694	25,573
Per basic share[2]	$0.77	$0.62	$0.21	$0.34	$0.22	$0.21	$0.17
Per diluted share[2]	$0.76	$0.62	$0.21	$0.34	$0.22	$0.21	$0.17
Adjusted net income[1]	134,285	94,323	50,335	45,788	38,162	32,908	30,337
Adjusted per diluted share[1]	$0.87	$0.61	$0.32	$0.29	$0.25	$0.21	$0.20
EBITDA[7]	294,776	251,728	102,166	104,322	88,289	86,991	81,412
Per basic share[1][2]	$1.90	$1.64	$0.66	$0.67	$0.57	$0.57	$0.53
Per diluted share[1][2]	$1.90	$1.63	$0.66	$0.67	$0.57	$0.56	$0.53
FCF[1]	250,700	227,834	85,395	86,622	78,683	79,667	72,980
Per basic share[1][2]	$1.62	$1.48	$0.55	$0.56	$0.51	$0.52	$0.47
Per diluted share[1][2]	$1.62	$1.48	$0.55	$0.56	$0.51	$0.52	$0.47
FCF Margin[1]	81%	91%	82%	78%	83%	92%	95%
Dividends paid	161,057	155,331	54,303	54,186	52,568	52,356	52,303
Per share[1][6]	$1.04	$1.01	$0.35	$0.35	$0.34	$0.34	$0.34
Payout ratio[1]	63%	67%	62%	61%	66%	65%	70%
Excess FCF[1]	89,643	72,503	31,092	32,436	26,115	27,311	20,677
Capital expenditures	4,821	4,374	1,600	1,767	1,454	887	1,864
Acquisitions, excl. decommissioning obligations[1]	41,446	115,204	—	38,994	2,452	10,234	71,733
Weighted average shares – basic[3]	154,817	153,779	155,027	154,809	154,609	153,885	153,794
Weighted average shares – diluted[3]	155,224	154,413	155,438	155,431	155,269	154,538	154,442
Average Royalty Production[5]							
Natural gas (mcf/d)	102,125	92,620	98,476	102,319	105,659	99,052	89,596
Light and medium crude oil (bbl/d)	1,891	1,990	1,887	1,871	1,918	1,928	1,910
Heavy crude oil (bbl/d)	3,758	3,285	3,825	3,789	3,657	3,515	3,386
Natural gas liquids (bbl/d)	1,440	1,373	1,381	1,518	1,423	1,446	1,365
Total (boe/d)	**24,112**	**22,086**	**23,507**	**24,233**	**24,609**	**23,399**	**21,596**
Total royalty production (% total liquids)	29%	30%	30%	30%	28%	29%	31%
Natural gas liquids (% condensate)	68%	70%	67%	70%	68%	71%	71%
Realized Commodity Prices							
Natural gas ($/mcf)	$1.69	$1.36	$1.47	$1.58	$2.01	$2.08	$0.61
Light and medium crude oil ($/bbl)	$107.78	$83.96	$114.54	$119.58	$89.35	$74.92	$81.64
Heavy crude oil ($/bbl)	$94.37	$75.96	$98.75	$106.39	$77.11	$63.00	$73.43
Natural gas liquids ($/bbl)	$101.90	$83.44	$101.09	$115.41	$88.12	$73.87	$80.18
Total ($/boe)	**$36.46**	**$29.75**	**$37.41**	**$39.87**	**$32.16**	**$29.02**	**$26.32**
Benchmark Pricing							
Natural Gas							
AECO 5A *(CAD$/mcf)*	$1.74	$1.50	$1.57	$1.63	$2.01	$2.23	$0.63
AECO 7A *(CAD$/mcf)*	$1.85	$1.69	$1.54	$1.51	$2.49	$2.34	$1.00
Westcoast station 2 *(CAD$/mcf)*	$1.46	$0.74	$1.14	$1.37	$1.88	$1.85	$0.47
Crude Oil, Heavy Oil and Natural Gas Liquids							
NYMEX WTI *(USD$/bbl)*	$83.50	$66.70	$85.79	$92.79	$71.93	$59.14	$64.95
Edmonton Par *(CAD$/bbl)*	$114.93	$88.81	$119.31	$131.91	$93.58	$76.69	$86.52
WCS differential *(USD$/bbl)*	$14.20	$11.18	$13.87	$14.62	$14.12	$11.19	$10.36
Edmonton Condensate *(CAD$/bbl)*	$113.99	$90.90	$113.83	$130.93	$97.20	$78.83	$86.36
CAD$/USD$	$0.7223	$0.7152	$0.7149	$0.7228	$0.7291	$0.7169	$0.7261

Selected statement of financial position results ($000s) except share amounts	At Sep. 30, 2026	At Jun. 30, 2026	At Mar. 31, 2026	At Dec. 31, 2025	At Sep. 30, 2025
Total assets	2,176,184	2,216,659	2,202,235	2,221,715	2,230,374
Working capital (deficit)	29,006	54,608	47,096	55,999	(26,633)
Adjusted working capital (deficit)[1]	35,098	48,006	47,864	53,274	(30,773)
Net debt [1]	463,483	497,385	492,051	517,494	535,412
Common shares outstanding[3]	155,151	154,851	154,740	153,990	153,831

[1] Refer to *"Non-GAAP and Other Financial Measures"*.
[2] Calculated using basic or diluted weighted average shares outstanding during the period.
[3] Shown in thousand shares outstanding.
[4] Includes interest income ($mm): Q3 2026 - 0.1, Q2 2026 – 0.08, Q1 2026 – 0.07, Q4 2025 – 0.05, Q3 2025 - 0.05 (YTD 2026 – 0.3 and YTD 2025 – 0.2).
[5] Refer to *"Supplemental Information Regarding Product Types."*
[6] Cumulative dividend paid as per the number of outstanding shares on the respective quarterly dividend dates.
[7] Defined term under the Company's Syndicated Credit Facility.
[8] Topaz first became taxable in 2026. Refer to the Financial Statements and MD&A for additional information.

Business Overview

Strategy

Topaz is a unique royalty and infrastructure energy company focused on generating free cash flow[(1)] 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. ("Tourmaline"), 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 to generate sustainable long-term growth and profitability.

The 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. Topaz's SEDAR+ filings are available at www.sedarplus.ca.

The Company's dynamic and scalable business model combines the best attributes from each of the royalty and infrastructure energy segments and is designed to provide investors with sustainable long-term shareholder returns by:

(i) focusing on disciplined capital allocation to capture best-in class assets having high-margin income streams with strong partners which includes: royalty production revenue generated from gross overriding royalty interests and fee mineral title royalty interests, which are underpinned by operator capital development commitments in order to provide a transparent growth outlook and do not require Topaz to incur operating or capital costs or require day-to-day operational decisions, development execution or abandonments; processing revenue generated through its non-operated ownership interests in infrastructure assets whereby the Company has long-term fixed take-or-pay arrangements with high-quality counterparties and is only responsible for certain operating, capital and future abandonment costs; and other income which is generated by way of a contracted interest in third-party revenue generated through fee-for-service processing contracts with no underlying facility ownership and therefore no associated operating or capital costs;

(ii) integrating ESG considerations into the Company's investment strategy;

(iii) having modest corporate overhead costs;

(iv) having a transparent outlook to the Company's opportunistic growth projects; and

(v) providing our strategic partners with innovative non-dilutive financing alternatives to enhance their financial flexibility.

Topaz intends to use the majority of its free cash flow (FCF)[(1)] to pay dividends to shareholders and the Company has a long-term payout ratio target of 60-90%. The Board has established a dividend policy pursuant to which the Company intends to pay an annualized dividend currently in the amount of $1.40 per Common Share ($0.35 per share on a quarterly basis).

(1) Refer to "*Non-GAAP and Other Financial Measures*".

Asset Overview

The Company's high-quality assets and associated income streams are comprised of:

(i) gross overriding and fee mineral title royalty interests ("the Royalty Assets") on approximately 9.0 million gross acres (approximately 60% of which are undeveloped) from which the Company receives royalty production revenue based on the associated natural gas, crude oil, heavy oil and natural gas liquids gross production revenue (the "Royalty Production Revenue"); and

(ii) non-operated ownership interests in nine natural gas processing & gathering facilities with cumulative net natural gas processing capacity of approximately 268 mmcf/d and associated crude oil and condensate handling facilities, and certain water management infrastructure from which the Company is entitled to receive processing revenue from processing services provided to customers on a fee-for-service basis, the majority of which is contracted under long-term fixed fee take-or-pay agreements (the "Processing Revenue"); and a contracted interest in a portion of third-party revenue generated from facilities owned and operated by Tourmaline through fee-for-service agreements with third parties (the "Other Income") (collectively, the "Infrastructure Assets").

Topaz remains committed to its business plan which is focused on generating sustainable long-term shareholder returns.

Additional Information

Additional information about Topaz, including the Financial Statements and the Company's 2025 Annual Information Form are available electronically under the Company's profile on SEDAR+, www.sedarplus.ca and on Topaz's website, www.topazenergy.ca.

Geopolitical uncertainty

Over the past few years, the market has experienced volatile supply and demand changes, ranging from excess supply to significant supply and demand volatility attributed to the global health crisis and the current geopolitical environment, including recent uncertainties surrounding tariffs and the war in Iran. Geopolitical events continue to have an impact on the global economy which can lead to fluctuations in global trade, economies and financial markets.

These political changes create uncertainty about future government policies, regulations and trade relationships between major global economies which may result in broad-based volatility in energy markets. Adverse changes to trade relations, including tariffs, may have a long-term impact on the Company's results of operations, access to capital and/or financial position. The Company continues to monitor the effects of current events on operations.

Financial Results of Operations

Cash from Operating Activities, Cash Flow, FCF, Excess FCF and Net Income

Topaz generated $100.1 million and $78.1 million of cash from operating activities during Q3 2026 and Q3 2025, respectively. Cash flow during the respective periods was $87.0 million and $74.8 million. The Company generated FCF[(1)] of $85.4 million and $73.0 million during Q3 2026 and Q3 2025, respectively. After dividend payments, Topaz generated Excess FCF[(1)] of $31.1 million during Q3 2026 and $20.7 million during Q3 2025 that was allocated to debt reduction. The Company generated net income of $32.0 million during Q3 2026 which increased from $25.6 million during Q3 2025. Overall, the higher Q3 2026 cash flow, FCF, Excess FCF and net income compared to Q3 2025, were driven by a 9% increase in royalty production and 42% increase in realized commodity pricing.

Topaz generated $274.0 million and $239.6 million of cash from operating activities during YTD 2026 and YTD 2025, respectively. Cash flow during the respective periods was $255.5 million and $232.2 million. The Company generated FCF[(1)] of $250.7 million and $227.8 million during YTD 2026 and YTD 2025, respectively. After dividend payments, Topaz generated Excess FCF[(1)] of $89.6 million during YTD 2026 and $72.5 million during YTD 2025 that was used to fund acquisitions and repay debt. The Company generated net income of $118.5 million during YTD 2026 which increased from $96.0 million during YTD 2025. Overall the increased YTD 2026 cash flow, FCF, Excess FCF and net income, compared to YTD 2025, are attributed to 9% higher royalty production, 23% higher realized commodity pricing, and 3% higher processing revenue.

	Three months ended		Nine months ended	
($000s) except per share amounts	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Cash from operating activities	100,066	78,147	274,000	239,617
Per basic share[(1)(2)]	$0.65	$0.51	$1.77	$1.56
Per diluted share[(1)(2)]	$0.64	$0.51	$1.77	$1.55
Cash flow	86,995	74,844	255,521	232,208
Per basic share[(1)(2)]	$0.56	$0.49	$1.65	$1.51
Per diluted share[(1)(2)]	$0.56	$0.49	$1.65	$1.50
FCF[(1)]	85,395	72,980	250,700	227,834
Per basic share[(1)(2)]	$0.55	$0.47	$1.62	$1.48
Per diluted share[(1)(2)]	$0.55	$0.47	$1.62	$1.48
FCF margin[(1)]	82%	95%	81%	91%
Excess FCF[(1)]	31,092	20,677	89,643	72,503
Net income	32,021	25,573	118,543	96,047
Per basic share[(2)]	$0.21	$0.17	$0.77	$0.62
Per diluted share[(2)]	$0.21	$0.17	$0.76	$0.62
Adjusted net income[(1)]	50,335	30,337	134,285	94,323
Per basic share[(1)(2)]	$0.32	$0.20	$0.87	$0.61
Per diluted share[(1)(2)]	$0.32	$0.20	$0.87	$0.61

(1) Refer to *"Non-GAAP and Other Financial Measures"*.

(2) As noted, calculated using the basic or diluted weighted average number of shares outstanding during the respective periods.

Royalty

Royalty production revenue

The Company's royalty production revenue is determined pursuant to the terms of its royalty agreements. The commodity prices for natural gas, crude oil, heavy oil and natural gas liquids are determined from market index prices in the month of production and the majority of Topaz's royalty contractual agreements do not permit deductions. Topaz's royalty production volumes are marketed with the respective royalty payors' production volume and revenue is generally received two months after the natural gas, crude oil, heavy oil and natural gas liquids volumes are produced. The Company can elect to take its share of royalty production volumes in kind, if desired.

Royalty production revenue generated during Q3 2026 and YTD 2026 was $81.5 million and $241.6 million, respectively compared to $52.3 million and $179.3 million, respectively, during Q3 2025 and YTD 2025. The increase in both Q3 2026 and YTD 2026 is attributed to 9% higher royalty production for the three and nine months ended September 30, 2026 (as compared to the three and nine months ended September 30, 2025), and a 42% and 23%, respectively, increase in realized commodity pricing during Q3 2026 and YTD 2026, as compared to prior periods.

Royalty production

Topaz's average royalty production[1] during Q3 2026 was 23,507 boe/d (70% natural gas weighted) compared to 21,596 boe/d (69% natural gas weighted) during Q3 2025. Topaz's average royalty production[1] during YTD 2026 was 24,112 boe/d (71% natural gas weighted) compared to 22,086 boe/d (70% natural gas weighted) during YTD 2025. Topaz generates royalty revenue from production on developed royalty acreage and expects to generate royalty revenue through the future development of its undeveloped acreage. Topaz's royalty production growth from the prior year is attributed to royalty acquisitions and operator-funded development of Topaz's undeveloped royalty acreage.

	Three months ended		Nine months ended	
	Sep.30, 2026	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Royalty production revenue				
Natural gas	13,361	5,005	47,166	34,357
Light and medium crude oil	19,881	14,348	55,656	45,606
Heavy crude oil	34,750	22,874	96,814	68,126
Natural gas liquids	12,840	9,931	40,067	30,978
Fee title rental, bonus and other income	626	133	1,902	275
Total ($000s)	**81,458**	**52,291**	**241,605**	**179,342**
Average royalty production[1]				
Natural gas (mcf/d)	98,476	89,596	102,125	92,620
Light and medium crude oil (bbl/d)	1,887	1,910	1,891	1,990
Heavy crude oil (bbl/d)	3,825	3,386	3,758	3,285
Natural gas liquids (bbl/d)	1,381	1,365	1,440	1,373
Total (boe/d)	**23,507**	**21,596**	**24,112**	**22,086**
Total royalty production (% total liquids)	30%	31%	29%	30%
Natural gas liquids (% condensate)	67%	71%	68%	70%
Realized royalty production prices				
Natural gas (C$/mcf)	$1.47	$0.61	$1.69	$1.36
Light and medium crude oil (C$/bbl)	$114.54	$81.64	$107.78	$83.96
Heavy crude oil (C$/bbl)	$98.75	$73.43	$94.37	$75.96
Natural gas liquids (C$/bbl)	$101.09	$80.18	$101.90	$83.44
Total ($/boe)	**$37.41**	**$26.32**	**$36.46**	**$29.75**
Benchmark Pricing				
Natural gas				
AECO 5A (*CAD$/mcf*)	$1.57	$0.63	$1.74	$1.50
AECO 7A (*CAD$/mcf*)	$1.54	$1.00	$1.85	$1.69
Westcoast station 2 (*CAD$/mcf*)	$1.14	$0.47	$1.46	$0.74
Crude Oil, Heavy Oil and Natural Gas Liquids				
NYMEX WTI *(USD$/bbl)*	$85.79	$64.95	$83.50	$66.70
Edmonton Par *(CAD$/bbl)*	$119.31	$86.52	$114.93	$88.81
WCS differential *(USD$/bbl)*	$13.87	$10.36	$14.20	$11.18
Edmonton Condensate *(CAD$/bbl)*	$113.83	$86.36	$113.99	$90.90
CAD$/USD$	$0.71	$0.73	$0.72	$0.72

[1] Refer to "*Supplemental Information Regarding Product Types*".

Royalty acreage activity

During Q3 2026, 175 gross wells[2] were spud on Topaz's royalty acreage, compared to 161 gross wells during Q3 2025. During YTD 2026, 473 gross wells[2] were spud on Topaz's royalty acreage, compared to 504 gross wells during YTD 2025. During Q3 2026, a total of 112 gross wells were drilled but not yet completed, which Topaz expects will be brought on production during subsequent periods.

	Three months ended		Nine months ended	
(Number of gross wells)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Operator Drilling Activity[1]				
Wells spud and brought on production during the period[2]	63	67	321	345
Wells spud during the period and not yet completed (**'DUCs'**)	112	94	152	159
Total wells spud during the period	**175**	**161**	**473**	**504**
DUCs as a % of total wells spud during the period	*64%*	*58%*	*32%*	*32%*
Operator Drilling and Tie-in Activity				
Wells brought on production (spud during current and prior periods)[3]	178	184	435	543
Wells spud during the period and not yet completed ('DUCs')	112	94	152	159
Total wells brought on production and DUCs during the period	**290**	**278**	**587**	**702**
DUCs as a % of total drilling and tie-in activity during the period	*39%*	*34%*	*26%*	*23%*

[1] Refers to the number of wells spud or brought on production, as indicated, by the working interest operators and may include injection wells. Topaz does not conduct upstream petroleum and natural gas exploration and development operations.

[2] Refers to gross number of wells brought on production which were spud across Topaz's royalty acreage during the respective period.

[3] Refers to the total gross number of wells brought on production during the period that were spud across Topaz's royalty acreage during the respective period shown in addition to prior periods.

Infrastructure

Processing revenue

The Company's processing revenue is generated through its non-operated ownership in nine natural gas processing and associated liquids handling facilities and two water management facilities. The facilities provide processing services to customers on a fee-for-service basis, the majority of which are subject to long-term, fixed fee take-or-pay agreements.

During Q3 2026 and YTD 2026, Topaz generated $21.1 million and $62.8 million of processing revenue, respectively, compared to $21.2 million and $61.0 million of processing revenue during Q3 2025 and YTD 2025, respectively.

Average daily utilization of Topaz's net natural gas and crude oil processing capacity was 98% during Q3 2026 and 99% during Q3 2025, which is attributed to the significant portion of Topaz's net processing capacity (82% and 81%, respectively) being contracted under fixed take-or-pay. Average daily utilization of Topaz's net natural gas and crude oil processing capacity was 97% during YTD 2026 and 98% YTD 2025, which is attributed to the significant portion of Topaz's net processing capacity (81% and 80%, respectively) being contracted under fixed take-or-pay.

During YTD 2026, Topaz elected to participate (based on Topaz's proportionate working interest) in modification and expansion projects at two natural gas processing facilities, for total cash consideration of $2.8 million, before customary closing adjustments, and received a proportionate increase to the respective take-or-pay fee processing arrangements.

Other income

The Company generates income by way of a contracted interest in third-party revenue generated through fee-for-service processing contracts with no underlying facility ownership, including but not limited to, processing, compression, and water handling revenue, generated at multiple facilities owned and operated by Tourmaline. These facilities include natural gas processing plants, crude oil batteries, pipelines, water disposal facilities, compressor stations and other facilities associated with the handling of crude oil, natural gas and natural gas liquids. The facilities are located across Tourmaline's operating areas and Topaz does not have an ownership interest in the underlying assets.

During Q3 2026 and YTD 2026, Topaz generated other income of $1.8 million and $5.7 million, respectively, compared to $2.9 million and $9.5 million generated during Q3 2025 and YTD 2025, respectively. The decrease is attributed to fluctuations in third-party activity at certain Tourmaline owned facilities.

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Processing revenue	21,051	21,221	62,830	60,977
Other income[2]	1,825	2,931	5,686	9,467
Total	**22,876**	**24,152**	**68,516**	**70,444**
Operating expense	866	1,545	4,498	5,503
Operating Margin[3]	**22,010**	**22,607**	**64,018**	**64,941**
Operating Margin %[3]	**96%**	**94%**	**93%**	**92%**
Infrastructure utilization activity				
Natural gas processing facilities[1]:				
Ownership capacity under fixed take-or-pay contract	211,638	211,638	211,430	205,430
Variable ownership capacity	52,720	57,593	55,287	58,511
Total ownership capacity	264,358	269,231	266,717	263,941
Total throughput volume	257,789	266,958	258,576	259,464
Total utilization (%)	**98%**	**99%**	**97%**	**98%**
W.A. remaining contract life of fixed contract capacity[4]			**9**	**10**

(1) Weighted average daily rate (Topaz net ownership) for the periods presented, shown in Mcf/d.
(2) Other income of $1.8 million for Q3 2026 includes interest income of $0.1 million (Q3 2025 - $0.05 million). Other income of $5.7 million for YTD 2026 includes interest income of $0.3 million (YTD 2025 - $0.2 million).
(3) Refer to *"Non-GAAP and Other Financial Measures"*.
(4) Weighted average remaining contract life (presented in years) of Topaz's ownership capacity under long-term fixed take-or-pay contracts.

Operating Expense

Topaz incurs operating expense attributed to certain jointly owned, non-operated processing facilities. During Q3 2026 and YTD 2026 Topaz incurred operating expense of $0.9 million and $4.5 million respectively, compared to $1.5 million and $5.5 million, during Q3 2025 and YTD 2025, respectively. Operating expenses can fluctuate due to the timing of planned operational maintenance in respect of the three facilities for which Topaz is contractually responsible for its working interest share of operating and maintenance costs.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Operating expense	866	1,545	4,498	5,503

Marketing Expense

Topaz pays a variable marketing fee to certain third-party royalty payors attributed to royalty production that is marketed with the respective operator's production. Topaz incurred $0.4 million and $1.4 million in marketing expenses during Q3 2026 and YTD 2026, respectively, as compared to $0.3 million and $1.1 million during Q3 2025 and YTD 2025, respectively. Marketing expense increased during Q3 2026 and YTD 2026 as compared to Q3 2025 and YTD 2025 attributed to higher royalty production revenue.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Marketing expense	393	307	1,397	1,122

General & Administrative Expense

Topaz incurs general & administrative ("G&A") expense which includes professional services and directly incurred administrative expenses. During Q3 2026 and YTD 2026 Topaz incurred total G&A expenses (net of capitalized costs) of $1.9 million and $6.0 million, respectively, compared to $1.9 million and $5.9 million during Q3 2025 and YTD 2025, respectively. Topaz capitalizes a portion of G&A expense in respect of directly attributable business development costs.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
G&A expense (gross)	3,506	2,676	9,688	8,364
Capitalized G&A expenses	(1,570)	(812)	(3,674)	(2,428)
Total G&A expenses (net)	**1,936**	**1,864**	**6,014**	**5,936**

Share-Based Compensation

The Company has share-based compensation plans in place whereby it may issue stock options, performance share units ("PSUs"), or deferred share units ("DSUs") to employees and consultants, or directors of the Company. During Q3 2026 and YTD 2026 Topaz recognized $1.5 million and $3.1 million of share-based compensation expense (net of capitalized costs), respectively, compared to $1.4 million and $3.0 million during Q3 2025 and YTD 2025, respectively.

As at September 30, 2026, 0.9 million PSUs (December 31, 2025 – 1.2 million), 0.2 million DSUs (December 31, 2025 – 0.2 million) and 0.9 million stock options (December 31, 2025 – 1.5 million) were outstanding.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Gross share-based compensation expense	2,418	2,102	5,510	5,261
Capitalized share-based compensation	(897)	(752)	(2,425)	(2,288)
Total share-based compensation expense	**1,521**	**1,350**	**3,085**	**2,973**

Finance Expense

Topaz records finance expense which includes interest expense on its bank debt, amortization of debt transaction costs, and accretion of its decommissioning obligations attributed to the infrastructure assets. During Q3 2026 and YTD 2026, Topaz recognized $5.8 million and $17.3 million, respectively, of interest expense, compared to $6.6 million and $19.7 million during Q3 2025 and YTD 2025, respectively. The decrease is attributed to lower underlying interest rates and lower debt outstanding as Excess FCF was partially allocated to debt reduction during 2026.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Accretion expense	58	50	165	145
Amortization of debt transaction costs	190	154	513	423
Interest expense	5,791	6,620	17,344	19,741
Total finance expense	**6,039**	**6,824**	**18,022**	**20,309**

Depletion and depreciation

Topaz records depletion and depreciation expense for its developed royalty assets based on a unit-of-production basis by reference to the ratio of: royalty production in the period to total proved and probable developed reserves. Topaz records depreciation expense for its infrastructure assets based on a straight-line basis over the assets' useful lives. Topaz recorded total DD&A expense of $34.0 million and $101.9 million during Q3 2026 and YTD 2026, respectively, compared to $34.6 million and $102.8 million during Q3 2025 and YTD 2025, respectively.

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Depletion and depreciation	33,979	34,551	101,866	102,788

Income Tax Expense

During Q3 2026 and YTD 2026, Topaz recorded current income tax expense of $9.5 million and $22.2 million, respectively (Q3 2025 and YTD 2025 – nil), and deferred income tax expense of $0.9 million and $15.6 million (Q3 2025 and YTD 2025 – $8.4 million and $31.6 million, respectively). Q3 2026 and YTD 2026 current income tax expense incorporates the impact of utilizing the Company's remaining net operating loss carryforward balance during 2026. Topaz continues to hold carryforward resource pool balances to apply to future periods.

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Current income tax expense	9,523	—	22,209	—
Deferred income tax expense	912	8,402	15,607	31,556
Total income tax expense	**10,435**	**8,402**	**37,816**	**31,556**

Liquidity and Capital Resources

Bank Debt

At September 30, 2026, Topaz had a covenant-based, unsecured, operating credit facility with a syndicate of Canadian banks in the amount of $700.0 million ("Syndicated Credit Facility") which provides for a permitted increase to $1.0 billion, subject to agent consent. The maturity date is April 30, 2030. At the request of the Company and with consent of the lender, the Syndicated Credit Facility can be extended on an annual basis.

The Syndicated Credit Facility includes borrowing options of prime rate loans, Secured Overnight Financing Rate ('SOFR') loans, U.S. base rate loans, letters of credit and Canadian Overnight Repo Rate Average ('CORRA') loans, which will bear interest on a variable pricing grid based on certain financial ratios, in addition to the prevailing applicable interest rate for the respective type of loan. Topaz's effective interest rate for the nine months ended September 30, 2026 was 4.25% (December 31, 2025 – 4.77%).

The Syndicated Credit Facility is subject to the following covenants, on a rolling four quarter basis: (i) the ratio of consolidated senior debt to EBITDA must not exceed 3.5:1; (ii) the ratio of total debt to EBITDA must not exceed 4.0:1; and (iii) the ratio of Total Debt to Capitalization must not exceed 55%.

The terms "consolidated senior debt", "EBITDA", "total debt", and "capitalization" for purposes of the financial covenants are defined as follows under the Syndicated Credit Facility: "consolidated senior debt" is consolidated total debt excluding any subordinated debt, "EBITDA" is consolidated net income or loss from continuing operations, excluding extraordinary items, plus interest expense, income taxes, and adjusted for non-cash items and gains or losses on dispositions, and in accordance with the credit facility "EBITDA" can be further adjusted for pro-forma material acquisitions; "total debt" is the aggregate principal amount of all consolidated debt; all of which are determined in accordance with GAAP; "capitalization" is the aggregate of consolidated total debt, any convertible debentures and consolidated shareholders' equity.

Based on the above covenant definitions, as at September 30, 2026, Topaz's ratio of consolidated senior debt to EBITDA was 1.31, total debt to EBITDA was 1.31, and total debt to capitalization was 25%. For the covenant calculations, EBITDA is based on the rolling four quarters, calculated in accordance with the terms of the credit agreement. The Company was in compliance with each of its financial covenants.

Dividends
During Q3 2026 and YTD 2026 the Company paid $54.3 million ($0.35 per common share) and $161.1 million ($1.04 per common share) in dividends to its shareholders, respectively, compared to $52.3 million ($0.34 per common share) and $155.3 million ($1.01 per common share) during Q3 2025 and YTD 2025, respectively.

Shares Outstanding
As at September 30, 2026 and November 2, 2026, Topaz had 155.2 million common shares, 0.9 million PSUs, 0.2 million DSUs, and 0.9 million stock options outstanding.

Capital Management
In order to manage its capital structure, the Company's objective is to maintain financial flexibility in order to distribute cash to shareholders in the form of dividends after considering the Company's operational financial requirements and its future growth opportunities. As a hybrid royalty and infrastructure company, Topaz does not have any significant capital expenditure requirements, which enhances its financial flexibility.

The Company considers its capital structure to include shareholders' equity, bank debt and working capital. In order to maintain or adjust the capital structure, the Company may, from time-to-time issue equity, utilize available credit facilities, adjust its dividend distributions and/or adjust its investment activities to manage current and forecast debt levels. The Company's operating results and capital structure are impacted by royalty production volumes, commodity prices and the level of third-party revenue generated at its non-operated processing facilities or through its contracted third-party income.

The Company's capital structure is managed through its financial and operating forecast process. The forecast of the Company's future cash flows is based on estimates of royalty interest production volume, natural gas, crude oil, and natural gas liquids prices, third-party facility utilization, operating and marketing expenses, administrative expenses, taxes and other investing and financing activities. The forecast is regularly updated based on changes in commodity prices, royalty interest production volume expectations, third-party facility utilization expectations and other factors that, in the Company's view, could impact cash from operating activities.

Management uses the terms "adjusted working capital"[(1)], "net debt"[(1)], "free cash flow ('FCF')"[(1)] and "Excess FCF"[(1)] to measure the Company's liquidity position and capital flexibility. As such, these terms are considered capital management measures. "Adjusted working capital"[(1)] is calculated as current assets less current liabilities, adjusted for financial instruments and work in progress capital costs. "Net debt"[(1)] is calculated as total debt outstanding less adjusted working capital.[(1)] "FCF"[(1)] is defined as cash flow less capital expenditures and provides a measure of cash available after capital costs, but before acquisitions. Excess FCF[(1)] is defined as FCF less dividends paid. Management uses FCF for its own performance measures and to provide investors with a measure of the Company's efficiency and its ability to generate the cash necessary to fund or increase dividends, fund future growth opportunities and/or to repay debt.

As at September 30, 2026, the Company had adjusted working capital of $35.1 million (December 31, 2025 – adjusted working capital of $53.3 million), unutilized capacity of $199.5 million on its Syndicated Credit Facility, and $300.0 million of additional capacity available through an accordion feature (subject to agent consent). Net debt at September 30, 2026 was $463.5 million, compared to net debt at December 31, 2025 of $517.5 million. During the nine months ended September 30, 2026, the Company generated cash flow of $255.5 million, completed $41.4 million in acquisitions and paid dividends of $161.1 million. The Company decreased net debt by $54.0 million during the nine month period ended September 30, 2026.

During Q3 2026 and YTD 2026, the Company generated FCF of $85.4 million and $250.7 million, respectively (Q3 2025 and YTD 2025 - $73.0 million and $227.8 million, respectively), after capital expenditures of $1.6 million and $4.8 million, respectively (Q3 2025 and YTD 2025 - $1.9 million and $4.4 million, respectively). After the payment of dividends, Topaz generated $31.1 million and $89.6 million of Excess FCF during Q3 2026 and YTD 2026, respectively (Q3 2025 and YTD 2025 - $20.7 million and $72.5 million, respectively).

As at September 30, 2026, the Company had $500.5 million drawn on the Syndicated Credit Facility.

The Company is exposed to financial risks related to its financial assets and liabilities. Financial risks include credit risk, liquidity risk, and market risk (including commodity price, foreign exchange rate risk and interest rate risk).

(1) Refer to *"Non-GAAP and Other Financial Measures"*.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations in accordance with agreed terms. The Company's policy to mitigate credit risk is to establish contractual agreements with creditworthy counterparties. The Company's structure of royalty and infrastructure revenue from counterparties which Topaz considers having strong creditworthiness, significantly reduces Topaz's credit risk. As at September 30, 2026, the Company does not have any receivables (December 31, 2025 - $nil) over 90 days. As at September 30, 2026, 85% of receivables are from seven primary counterparties, the largest being Tourmaline. The Company is satisfied that the accounts receivable amounts are collectible.

The carrying amount of cash and cash equivalents, accounts receivable and fair value of financial derivative assets represents the Company's maximum credit exposure. The Company has not recorded an expected credit loss as at September 30, 2026 (December 31, 2025 – $nil), nor was it required to write-off any receivables during the period ended September 30, 2026 (December 31, 2025 – $nil).

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations as they come due. The Company manages its liquidity risk by ensuring that it will have sufficient liquidity to meet its financial obligations under both normal and risked conditions. As at September 30, 2026, the Company had adjusted working capital of $35.1 million (December 31, 2025 – $53.3 million), unutilized capacity of $199.5 million on its Syndicated Credit Facility, and $300.0 million of additional capacity available through an accordion feature (subject to agent consent).

The timing of expected cash outflows relating to accounts payable and accrued liabilities of $8.7 million is less than one year, and the Company has no material capital or operating commitments. The Company expects to pay suppliers within 30 to 60 days. These terms are consistent with industry practice. As at September 30, 2026, all significant accounts payable balances were less than 90 days outstanding. Management maintains a conservative approach to debt management that aims to provide financial flexibility with respect to capital allocation and the payment of dividends to shareholders. The Board of Directors reviews and determines the quarterly dividend on a regular basis after considering expected commodity prices, expected royalty production volumes, expected cash flow, economic conditions, income taxes, and the Company's capacity to fund its operations and investment opportunities.

The following are the contractual maturities of financial liabilities as at September 30, 2026:

($000s)	Total	< 1 year	1 to 5 years
Non-derivative financial liabilities:			
Accounts payable and accrued liabilities	8,689	8,689	—
Current income tax payable	22,209	22,209	—
Bank debt	498,581	—	498,581
Derivative financial liabilities:			
Financial instruments	16,164	9,147	7,017

Market risk
Market risk is the risk that changes in market conditions, such as commodity prices, foreign exchange and interest rates will affect the Company's earnings or value of financial instruments. The objective of market risk management is to manage and curtail market risk exposure within acceptable limits, while maximizing the Company's returns. The Company utilizes financial derivative contracts to manage market risks.

Interest rate risk is the risk that changes in market interest rates may affect future cash flows from the Company's financial assets or liabilities. The Company is exposed to interest rate risk to the extent that changes in market interest rates would impact any borrowings under the Company's credit facility which is subject to a floating interest rate. The Company had $500.5 million drawn on its $700.0 million Syndicated Credit Facility as at September 30, 2026 (December 31, 2025 – $572.5 million). Assuming all other variables held constant, during the nine months ended September 30, 2026, if interest rates were 1% higher, net income before taxes would decrease by $3.9 million. An equal and opposite impact would occur with a 1% decrease in interest rates.

Commodity price risk is the risk that the fair value or future cash flow will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas are based upon the US dollar and as a result the price received by Canadian producers is affected by the Canadian to US dollar exchange rate. Commodity prices are also impacted by weather and world economic events that dictate the levels of supply and demand. Over the past few years, the market has experienced volatile supply and demand changes, ranging from excess supply to significant supply and demand volatility attributed to the

global health crisis and the current geopolitical environment, including recent uncertainties surrounding tariffs and the war in Iran. Geopolitical events continue to have an impact on the global economy and contribute to supply and demand volatility in global crude oil, natural gas and natural gas liquids.

The Company has entered certain financial derivative contracts to manage commodity price risk. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, even though the Company considers all financial derivative contracts to be effective economic hedges. As a result, all financial instruments are recorded on the consolidated statement of financial position at fair value, with changes in the fair value being recognized as an unrealized gain or loss on the consolidated statements of income and comprehensive income.

Financial Instruments

The Company utilizes financial derivative, interest rate and foreign currency contracts as a risk management technique to mitigate exposure to volatility in commodity prices, foreign exchange rates and interest rates. The following tables present, as at September 30, 2026, the outstanding commodity price financial derivative contracts, interest rate and foreign exchange financial instruments. The fair value of Topaz's total outstanding contracts is a net liability of $12.2 million as at September 30, 2026 (net asset of $3.5 million as at December 31, 2025) as detailed below.

Contract type		Q4 2026	Q1 2027	Q2 2027	Q3 2027	>1 year
AECO (5A) fixed price	Average Volumes (GJ/d)	16,739	7,500	–	–	–
	W.A.[1] Price (C$/GJ)	$3.06	$3.39	–	–	–
NYMEX-Call option	Average Volumes (mmbtu/d)	15,000	–	–	–	–
	W.A.[1] Price (USD$/mmbtu)	$4.50	–	–	–	–
WTI fixed price	Average Volumes (bbl/d)	1,500	500	500	500	500
	W.A.[1] Price (USD$/bbl)	$71.78	$70.00	$70.00	$70.00	$70.00
WTI Collar	Average Volumes (bbl/d)	–	1,000	1,000	1,000	1,000
	W.A.[1] Price (USD$/bbl)	–	$58.80 - $80.00	$58.80 - $80.00	$58.80 - $80.00	$58.80 - $80.00
WTI Call option	Average Volumes (bbl/d)	–	1,000	1,000	1,000	1,000
	W.A.[1] Price (USD$/bbl)	–	$81.30	$81.30	$81.30	$81.30

(1) Weighted average.

The Company's financial derivative contracts are sensitive to fluctuations in commodity prices, which could materially impact the fair value of derivative assets and liabilities. At September 30, 2026, a change to sensitivities noted below would have the following impact on the fair value of commodity derivative contracts:

Contract type	Price Change	Sensitivity ($000s)
AECO (5A) fixed price (CAD)	+/- $0.10/GJ	+/- 0.22
NYMEX-Call option (USD)	+/- $0.10/mmbtu	+/- 0.01
WTI fixed price (USD)	+/- $1.00/bbl	+/- 0.40
WTI Collar (USD)	+/- $1.00/bbl	+/- 0.40

At September 30, 2026, the Company had the following foreign exchange derivative contract in place:

Contract type and currency	Term	Notional Amount (US$000/month)	Floor price	Ceiling price
USD/CAD variable rate collar	October 2026 - December 2026	2,000	$ 1.3200	$ 1.4050

For the current foreign exchange contracts in place at September 30, 2026, if the future strip prices for USD/CAD exchange rate increased by $0.01, with all other variables held constant, the 2026 unrealized loss on foreign exchange contracts would increase by $0.1 million, and if the USD/CAD exchange rate decreased by $0.01, with all other variables held constant, the 2026 unrealized loss would decrease by $0.1 million.

As at September 30, 2026, the Company had the following interest rate derivative contract in place:

Contract type	Term	Notional Amount (CAD$000/month)	Interest rate
Extendable fixed rate interest rate swap	October 2026 – April 2028[(1)]	150,000	2.45%

(1) Extendable for 1 year at the option of the financial institution.

For the interest rate swap contract in place at September 30, 2026, if the future CORRA rates increased by 10 bps, with all other variables held constant, the 2026 unrealized gain on interest rate contracts would increase by $0.2 million. An equal and opposite result would occur if CORRA rates decreased by 10 bps.

As at September 30, 2026 and December 31, 2025, the reconciliation of financial instruments to the consolidated statements of financial position includes:

	At Sep. 30, 2026		At Dec. 31, 2025	
($000s)	Asset	Liability	Asset	Liability
Current financial instruments	3,055	9,147	4,536	1,811
Long term financial instruments	913	7,017	821	—

The following table provides the realized and unrealized gains (losses) on financial instruments for the periods presented. During Q3 2026 and YTD 2026 the Company recognized a realized gain on financial instruments of $1.2 million and a realized loss of $3.1 million, respectively, and during the same periods, recorded an unrealized loss on financial instruments of $18.3 million and $15.7 million, respectively. During Q3 2025 and YTD 2025 the Company recognized a realized gain on financial instruments of $8.7 million and $14.7 million, respectively, and during the same periods, recorded an unrealized loss on financial instruments of $4.8 million and an unrealized gain of $1.7 million, respectively.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Realized gain (loss) on financial instruments	1,170	8,737	(3,138)	14,724
Unrealized gain (loss) on financial instruments	(18,314)	(4,764)	(15,742)	1,724
Total	**(17,144)**	**3,973**	**(18,880)**	**16,448**

Capital Expenditures

During Q3 2026 and YTD 2026 Topaz incurred capital expenditures of $1.6 million and $4.8 million, respectively, compared to capital expenditures of $1.9 million and $4.4 million incurred during Q3 2025 and YTD 2025, respectively. Topaz's capital expenditures are incurred in respect of its proportionate share of capital maintenance on certain natural gas processing facilities as well as capitalized G&A costs in respect of directly attributable business development costs.

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Capital expenditures	1,600	1,864	4,821	4,374

Acquisitions

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Acquisitions (excl. non-cash decommissioning obligations)[(1)]	—	71,733	41,446	115,204

[(1)] Refer to *"Non-GAAP and Other Financial Measures"*.

On June 30, 2026, the Company acquired a gross overriding royalty interest across approximately 0.3 million gross acres (over 80% undeveloped) for total cash consideration of $38.7 million, before customary closing adjustments.

During the nine months ended September 30, 2026, the Company elected to participate (based on Topaz's proportionate working interest) in modification or expansion projects at two natural gas processing facilities. Topaz contributed total cash consideration of $2.8 million during the nine months ended September 30, 2026, and received a proportionate increase to the respective take-or-pay fixed fee processing arrangement.

On January 31, 2025, the Company acquired a gross overriding royalty interest across approximately 0.1 million gross acres (over 60% undeveloped) in the Alberta Montney, for total cash consideration of $17.0 million before customary closing adjustments.

On May 30, 2025, the Company acquired a 35% working interest in an Alberta Montney natural gas processing facility for total cash consideration of $26.0 million and the assumption of a decommissioning obligation of $0.3 million, before customary closing adjustments. The facility is supported by contractual commitments that provide the Company with fixed take-or-pay revenue for a 15-year period.

On September 30, 2025, the Company acquired a gross overriding royalty interest on approximately 0.1 million gross acres (over 65% undeveloped), in its NEBC Montney core royalty area for total cash consideration of $71.7 million, before customary closing adjustments.

All transactions for the three and nine months ended September 30, 2026 and 2025 were treated as asset acquisitions.

Commitments and Contractual Obligations

As at September 30, 2026 and 2025, Topaz does not have any material commitments or contractual obligations.

Off Balance Sheet Arrangements

As at September 30, 2026 and 2025, Topaz has no material guarantees or off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the Company's financial condition, results of operations, liquidity or capital expenditures.

Related Party Transactions

The Company has entered into a number of agreements relating to both royalty and infrastructure assets with Tourmaline Oil Corp. ("Tourmaline") who had a 12.85% ownership interest in the common shares of the Company as at September 30, 2026. Subsequent to September 30, 2026, Tourmaline sold 11,500,000 shares of Topaz, reducing their ownership interest to 5.4%.

As at September 30, 2026, $24.3 million (December 31, 2025 - $30.7 million) of the accounts receivable balance was due from Tourmaline, all of which will be collected in the normal course of business. There were no bad debts outstanding relating to Tourmaline as at September 30, 2026 or December 31, 2025. During Q3 2026 and YTD 2026, 30% and 34%, respectively of royalty production revenue and 47% and 47%, respectively of processing revenue was generated from Tourmaline (Q3 2025 and YTD 2025 - 32% and 39% of royalty production revenue and 47% and 48% of processing revenue, respectively, was generated from Tourmaline).

The Company pays a marketing fee to Tourmaline for the Company's royalty production that is marketed with Tourmaline's production. During Q3 2026 and YTD 2026, the Company paid $0.2 million and $0.8 million, respectively (Q3 2025 and YTD 2025 - $0.2 million and $0.7 million, respectively), in respect of marketing fees, which was incurred in the normal course of operations. During Q3 2026 and YTD 2026, the Company paid $0.06 million and $0.2 million, respectively (Q3 2025 and YTD 2025 - $0.06 million and $0.2 million, respectively) in rent expense to Tourmaline, which was incurred in the normal course of operations.

Segment Information

The Company has two reportable segments: royalty production and infrastructure. Management reviews the operating results at this level to assess financial performance and make resource allocation decisions.

The Company's reconciliation of cash flow, net income and total assets between operating segments as at and for the three and nine months ended September 30, 2026, is as follows:

Three months ended Sep. 30, 2026 ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	81,458	—	**81,458**
Processing revenue	—	21,051	**21,051**
Other income	—	1,825	**1,825**
Total	**81,458**	**22,876**	**104,334**
Cash expenses			
Operating	—	(866)	**(866)**
Marketing	(393)	—	**(393)**
General and administrative	(1,529)	(407)	**(1,936)**
Realized gain on financial instruments	1,170	—	**1,170**
Interest expense	(4,575)	(1,216)	**(5,791)**
Current income tax expense	(7,523)	(2,000)	**(9,523)**
Cash flow	**68,608**	**18,387**	**86,995**
Depletion and depreciation	(29,271)	(4,708)	**(33,979)**
Accretion expense	—	(58)	**(58)**
Amortization of debt transaction costs	(150)	(40)	**(190)**
Unrealized loss on financial instruments	(18,314)	—	**(18,314)**
Share-based compensation	(1,202)	(319)	**(1,521)**
Deferred income tax expense	(720)	(192)	**(912)**
Net income	**18,951**	**13,070**	**32,021**

Nine months ended Sep. 30, 2026 ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	241,605	—	**241,605**
Processing revenue	—	62,830	**62,830**
Other income	—	5,686	**5,686**
Total	**241,605**	**68,516**	**310,121**
Cash expenses			
Operating	—	(4,498)	**(4,498)**
Marketing	(1,397)	—	**(1,397)**
General and administrative	(4,751)	(1,263)	**(6,014)**
Realized loss on financial instruments	(3,138)	—	**(3,138)**
Interest expense	(13,702)	(3,642)	**(17,344)**
Current income tax expense	(17,545)	(4,664)	**(22,209)**
Cash flow	**201,072**	**54,449**	**255,521**
Depletion and depreciation	(87,207)	(14,659)	**(101,866)**
Accretion expense	—	(165)	**(165)**
Amortization of debt transaction costs	(405)	(108)	**(513)**
Unrealized loss on financial instruments	(15,742)	—	**(15,742)**
Share-based compensation	(2,437)	(648)	**(3,085)**
Deferred income tax expense	(12,330)	(3,277)	**(15,607)**
Net income	**82,951**	**35,592**	**118,543**

As at Sep. 30, 2026 ($'000s)	Royalties	Infrastructure	Total
Total Assets	1,719,185	456,999	**2,176,184**

The Company's reconciliation of cash flow, net income and total assets between operating segments as at December 31, 2025 and for the three and nine months ended September 30, 2025, is as follows:

Three months ended September 30, 2025[1] ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	52,291	—	**52,291**
Processing revenue	—	21,221	**21,221**
Other income	—	2,931	**2,931**
Total	**52,291**	**24,152**	**76,443**
Cash expenses			
Operating	—	(1,545)	**(1,545)**
Marketing	(307)	—	**(307)**
General and administrative	(1,398)	(466)	**(1,864)**
Realized gain on financial instruments	8,737	—	**8,737**
Interest expense	(4,965)	(1,655)	**(6,620)**
Cash Flow	**54,358**	**20,486**	**74,844**
Depletion and depreciation	(30,290)	(4,261)	**(34,551)**
Accretion expense	—	(50)	**(50)**
Amortization of debt transaction costs	(115)	(39)	**(154)**
Unrealized loss on financial instruments	(4,764)	—	**(4,764)**
Share-based compensation	(1,013)	(337)	**(1,350)**
Deferred income tax expense	(6,302)	(2,100)	**(8,402)**
Net income	**11,874**	**13,699**	**25,573**

[1] Prior period figures are adjusted, refer to *"Voluntary Change in Accounting Policy"* in this MD&A.

Nine months ended September 30, 2025[1] ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	179,342	—	**179,342**
Processing revenue	—	60,977	**60,977**
Other income	—	9,467	**9,467**
Total	**179,342**	**70,444**	**249,786**
Cash expenses			
Operating	—	(5,503)	**(5,503)**
Marketing	(1,122)	—	**(1,122)**
General and administrative	(4,452)	(1,484)	**(5,936)**
Realized gain on financial instruments	14,724	—	**14,724**
Interest expense	(14,806)	(4,935)	**(19,741)**
Cash Flow	**173,686**	**58,522**	**232,208**
Depletion and depreciation	(92,922)	(9,866)	**(102,788)**
Accretion expense	—	(145)	**(145)**
Amortization of debt transaction costs	(317)	(106)	**(423)**
Unrealized gain on financial instruments	1,724	—	**1,724**
Share-based compensation	(2,230)	(743)	**(2,973)**
Deferred income tax expense	(23,667)	(7,889)	**(31,556)**
Net income	**56,274**	**39,773**	**96,047**

As at Dec. 31, 2025 ($'000s)	Royalties	Infrastructure	Total
Total assets	1,755,155	466,560	**2,221,715**

[1] Prior period figures are adjusted, refer to *"Voluntary Change in Accounting Policy"* in this MD&A.

Application of Critical Accounting Estimates

Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses.

Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimates that differ materially from current estimates. The Company's use of estimates and judgments in preparation of the Financial Statements is discussed in note 2d of the 2025 Annual Financial Statements.

Future Accounting Changes

In April 2024, the IASB issued a new Accounting Standard IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. The new accounting standard will change how items of net income are presented on the face of the Consolidated Statements of Net Income and Comprehensive Income and disclose information in the notes to the financial statements. As well, management-defined performance measures will now be

disclosed in the financial statements and subject to audit. The new Accounting Standard is effective from January 1, 2027, and applies retrospectively. Early adoption is permitted. The Company is assessing the potential effects of this new accounting standard.

Voluntary Change in Accounting Policy

During the fourth quarter of 2025, the Company voluntarily changed its accounting policy to deplete only those costs associated with developed royalty assets, with the remaining undeveloped costs excluded from the calculation, to be transferred into the depletable base as development occurs. The depletable assets continue to be depleted by reference to the ratio of royalty production in the period to forecasted proved and probable developed petroleum and natural gas reserves.

The Company believes the change in depletion policy provides more reliable and relevant information to the users of the financial statements as it more closely aligns depletion expense to the attributable underlying reserves.

In accordance with IAS 8, management has applied the voluntary change in accounting policy retrospectively. The interim condensed consolidated financial statements have been adjusted to reflect adjustments made as a result of this change. The tables below present the impact of the change in accounting policy for the three and nine months ended September 30, 2025 on the consolidated statements of net income and comprehensive income and the consolidated statements of cash flows, for each of the line items impacted.

Impacts on the Consolidated Statements of Net Income and Comprehensive Income

	Three months ended Sep. 30, 2025			Nine months ended Sep. 30, 2025		
For the periods ended ($000s)	**Previous**	**Adjustment**	**Adjusted**	**Previous**	**Adjustment**	**Adjusted**
Depletion and depreciation	52,197	(17,646)	34,551	157,247	(54,459)	102,788
Deferred income tax expense	4,972	3,430	8,402	21,340	10,216	31,556
Net income and comprehensive income	11,357	14,216	25,573	51,804	44,243	96,047

Impacts on the Consolidated Statements of Cash Flows

	Three months ended Sep. 30, 2025			Nine months ended Sep. 30, 2025		
For the periods ended ($000s)	**Previous**	**Adjustment**	**Adjusted**	**Previous**	**Adjustment**	**Adjusted**
Net income and comprehensive income	11,357	14,216	25,573	51,804	44,243	96,047
Depletion and depreciation	52,197	(17,646)	34,551	157,247	(54,459)	102,788
Deferred income tax expense	4,972	3,430	8,402	21,340	10,216	31,556

Internal Controls over Financial Reporting (“ICFR”)

The Company's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, disclosure controls and procedures ("DC&P"), as defined by National Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), to provide reasonable assurance that: (i) material information relating to the Company is made known to the Company's Chief Executive Officer and Chief Financial Officer by others, particularly during the periods in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation.

The Company’s Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR"), as defined by NI 52-109, to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of interim condensed consolidated financial statements for external purposes in accordance with GAAP.

There were no changes in the Company's DC&P or ICFR during the period beginning on July 1, 2026 and ending September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's DC&P or ICFR. It should be noted that a control system, including the Company's disclosure and internal controls and procedures, no matter how well conceived can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors or fraud.

The Company uses the guidelines as set forth in the Committee of Sponsoring Organizations of the Treadway Commission 2013 Internal Control-Integrated Framework.

Non-GAAP and Other Financial Measures

Certain financial terms and measures contained in this MD&A 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 MD&A are comprised of "non-GAAP financial measures", "capital management measures" and "supplementary financial measures" (as such terms are defined in NI 52-112). These measures are defined, qualified, and where required, reconciled with the nearest GAAP measure below.

Non-GAAP Financial Measures

The non-GAAP financial measures used herein do not have a standardized meaning prescribed by GAAP. Accordingly, the Company's use of these terms may not be comparable to similarly defined measures presented by other companies. Investors are cautioned that the non-GAAP financial measures should not be considered in isolation nor as an alternative to net income (loss) or other financial information determined in accordance with GAAP, as an indication of the Company's performance.

This MD&A makes reference to the terms "adjusted net income", "acquisitions, excluding decommissioning obligations" and "operating margin" which are considered non-GAAP financial measures under NI 52-112; defined as a financial measure disclosed by an issuer that depicts the historical or expected future financial performance, financial position, or cash flow of an entity, and is not disclosed in the financial statements of the issuer.

Other Financial Measures

Capital management measures

Capital management measures are defined as financial measures disclosed by an issuer that are intended to enable an individual to evaluate the entity's objectives, policies and processes for managing the entity's capital, are not a component of a line item or a line item on the primary financial statements, and which are disclosed in the notes to the financial statements. As at September 30, 2026, the Company's capital management measures disclosed in the notes to the Financial Statements include adjusted working capital, net debt, free cash flow (FCF) and Excess FCF.

Supplementary financial measures

This MD&A makes reference to the terms "adjusted net income per basic or diluted share", "cash flow per basic or diluted share", "FCF per basic or diluted share", "EBITDA per basic or diluted share", "FCF margin", "operating margin percentage" and "payout ratio" which are all considered supplementary financial measures under NI 52-112; defined as a financial measure disclosed by an issuer that is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of an entity, is not disclosed in the financial statements of the issuer, and is not a non-GAAP financial measure or non-GAAP financial ratio.

The following terms are financial measures as defined under the Company's Syndicated Credit Facility, presented in note 8 to the Financial Statements: (i) consolidated senior debt; (ii) total debt; (iii) EBITDA and (iv) capitalization.

Cash flow, FCF, FCF margin, and Excess FCF

Management uses cash flow, FCF, FCF margin and Excess FCF for its own performance measures and to provide investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund or increase dividends, fund future growth opportunities and/or to repay debt; and furthermore, uses per share metrics to provide investors with a measure of the proportion attributable to the basic or diluted weighted average common shares outstanding.

Cash flow is a GAAP measure which is derived of cash from operating activities excluding the change in non-cash working capital and is presented in the consolidated statements of cash flows. FCF is a capital management measure presented in the notes to the Financial Statements and is defined as cash flow, less capital expenditures. The supplementary financial measure "FCF margin", is defined as FCF divided by total revenue and other income (expressed as a percentage of total revenue and other income). The capital management measure "Excess FCF", is defined as FCF less dividends paid. The supplementary financial measures "cash flow per basic or diluted share" and "FCF per basic or diluted share" are calculated by dividing cash flow and FCF, respectively, by the basic or diluted weighted average common shares outstanding during the period.

A summary of the reconciliation from cash from operating activities (per the consolidated statements of cash flows) to cash flow (per the consolidated statements of cash flows), cash flow per basic or diluted share, FCF, Excess FCF, FCF per basic or diluted share and FCF margin is set forth below:

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Cash from operating activities	100,066	78,147	274,000	239,617
Exclude net change in non-cash working capital	13,071	3,303	18,479	7,409
Cash flow	**86,995**	**74,844**	**255,521**	**232,208**
Less: capital expenditures	1,600	1,864	4,821	4,374
FCF	**85,395**	**72,980**	**250,700**	**227,834**
Less: dividends paid	54,303	52,303	161,057	155,331
Excess FCF	**31,092**	**20,677**	**89,643**	**72,503**
Cash flow per basic share[(1)]	**$0.56**	**$0.49**	**$1.65**	**$1.51**
Cash flow per diluted share[(1)]	**$0.56**	**$0.49**	**$1.65**	**$1.50**
FCF per basic share[(1)]	**$0.55**	**$0.47**	**$1.62**	**$1.48**
FCF per diluted share[(1)]	**$0.55**	**$0.47**	**$1.62**	**$1.48**
FCF	**85,395**	**72,980**	**250,700**	**227,834**
Total revenue and other income	104,334	76,443	310,121	249,786
FCF Margin	**82%**	**95%**	**81%**	**91%**

(1) As noted, calculated using the basic or diluted weighted average number of shares outstanding during the respective periods.

Adjusted net income

Management uses adjusted net income for its own performance measure and to provide investors with a measurement of the Company's net income prior to the non-cash effects of unrealized gains and losses on financial instruments. Adjusted net income is calculated as net income per the consolidated statement of net income and comprehensive income, less unrealized gains (losses) on financial instruments. The supplementary financial measures "adjusted net income per basic or diluted share" is calculated by dividing adjusted net income by the basic or diluted weighted average common shares outstanding during the period.

A summary of the reconciliation from net income to adjusted net income and adjusted net income per basic and diluted share is set forth below:

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Net income	32,021	25,573	118,543	96,047
Unrealized gains (losses) on financial derivatives	(18,314)	(4,764)	(15,742)	1,724
Adjusted net income	**50,335**	**30,337**	**134,285**	**94,323**
Adjusted net income per basic share[(1)]	$0.32	$0.20	$0.87	$0.61
Adjusted net income per diluted share[(1)]	$0.32	$0.20	$0.87	$0.61

(1) Calculated using basic and diluted weighted average shares outstanding.

Operating margin and operating margin percentage

Operating margin is a non-GAAP financial measure derived from processing revenue and other income, less operating expenses. Operating margin percentage is a supplemental financial measure, calculated as operating margin, expressed as a percentage of total processing revenue and other income. Operating margin and operating margin percentage are used by management to analyze the profitability of its infrastructure assets.

A summary of the reconciliation of operating margin and operating margin percentage is set forth below:

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Processing revenue	21,051	21,221	62,830	60,977
Other income	1,825	2,931	5,686	9,467
Total	**22,876**	**24,152**	**68,516**	**70,444**
Operating expense	866	1,545	4,498	5,503
Operating Margin	**22,010**	**22,607**	**64,018**	**64,941**
Operating Margin %	**96%**	**94%**	**93%**	**92%**

Adjusted working capital and net debt

Management uses the terms "adjusted working capital" and "net debt" to measure the Company's liquidity position and capital flexibility, as such these terms are considered capital management measures. "Adjusted working capital" is calculated as current assets less current liabilities, adjusted for financial instruments and work in progress capital costs. "Net debt" is calculated as total debt outstanding less adjusted working capital.

A summary of the reconciliation from working capital, to adjusted working capital and net debt is set forth below:

($000s)	As at Sep. 30, 2026	As at Dec. 31, 2025
Working capital	29,006	55,999
Exclude fair value of financial asset (liability)	(6,092)	2,725
Adjusted working capital	**35,098**	**53,274**
Less: bank debt	498,581	570,768
Net Debt	**463,483**	**517,494**

EBITDA and EBITDA per basic or diluted share

EBITDA, as defined under the Company's Syndicated Credit Facility and disclosed in note 8 of the Financial Statements, is considered by the Company as a capital management measure which is used to evaluate the Company's operating performance and provides investors with a measurement of the Company's cash generated from its operations, before consideration of interest income or expense. "EBITDA" is calculated as consolidated net income or loss from continuing operations, excluding extraordinary items, plus interest expense, income taxes, and adjusted for non-cash items and gains or losses on dispositions.

EBITDA per basic or diluted share is a supplementary financial measure that is calculated by dividing EBITDA by the basic or diluted weighted average common shares outstanding during the period and provides investors with a measure of the proportion of EBITDA attributed to the basic or diluted weighted average common shares outstanding.

A summary of the reconciliation of net income (per the consolidated statements of net income and comprehensive income), to EBITDA, is set forth below:

	Three months ended		Nine months ended	
($000s)	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Net income	32,021	25,573	118,543	96,047
Unrealized (gain) loss on financial instruments	18,314	4,764	15,742	(1,724)
Share-based compensation	1,521	1,350	3,085	2,973
Finance expense	6,039	6,824	18,022	20,309
Depletion and depreciation	33,979	34,551	101,866	102,788
Current income tax expense	9,523	–	22,209	–
Deferred income tax expense	912	8,402	15,607	31,556
Less: interest income	(143)	(52)	(298)	(221)
EBITDA	**102,166**	**81,412**	**294,776**	**251,728**
EBITDA per basic share ($/share)[(1)]	**$0.66**	**$0.53**	**$1.90**	**$1.64**
EBITDA per diluted share ($/share)[(1)]	**$0.66**	**$0.53**	**$1.90**	**$1.63**

[(1)] As noted, calculated using the basic or diluted weighted average number of shares outstanding during the respective periods.

Payout ratio

"Payout ratio", a supplementary financial measure, represents dividends paid, expressed as a percentage of cash flow and provides investors with a measure of the percentage of cash flow that was used during the period to fund dividend payments. Payout ratio is calculated as dividends paid divided by cash flow.

A summary of the reconciliation from cash flow to payout ratio is set forth below:

	Three months ended		Nine months ended	
	Sep.30, 2026	Sep.30, 2025	Sep.30, 2026	Sep.30, 2025
Cash flow ($000s)	86,995	74,844	255,521	232,208
Dividends ($000s)	54,303	52,303	161,057	155,331
Payout Ratio (%)	**62%**	**70%**	**63%**	**67%**

Acquisitions, excluding decommissioning obligations

"Acquisitions, excluding decommissioning obligations", is considered a non-GAAP financial measure, and is calculated as: acquisitions (per the consolidated statements of cash flows) plus non-cash acquisitions but excluding non-cash decommissioning obligations.

A summary of the reconciliation from acquisitions (per the consolidated statements of cash flow) to acquisitions, excluding decommissioning obligations is set forth below:

	Three months ended		Nine months ended	
($000s)	**Sep.30, 2026**	**Sep.30, 2025**	**Sep.30, 2026**	**Sep.30, 2025**
Acquisitions (consolidated statements of cash flows)	—	71,733	41,446	115,204
Non-cash acquisitions	—	—	—	—
Acquisitions (excluding non-cash decommissioning obligations)	**—**	**71,733**	**41,446**	**115,204**

SELECTED QUARTERLY INFORMATION

Three months ended ($000s) except per share	**Sep. 30, 2026**	**Jun. 30, 2026**	**Mar. 31, 2026**	**Dec. 31, 2025**
Royalty production revenue	81,458	88,932	71,215	62,468
Processing revenue	21,051	20,742	21,037	21,930
Other income[5]	1,825	1,540	2,321	2,320
Total	104,334	111,214	94,573	86,718
Cash expenses:				
Operating	(866)	(1,877)	(1,755)	(1,027)
Marketing	(393)	(532)	(472)	(415)
General and administrative	(1,936)	(1,880)	(2,198)	(3,338)
Realized gain (loss) on financial instruments	1,170	(2,522)	(1,786)	5,102
Current income tax expense	(9,523)	(10,186)	(2,500)	—
Interest expense	(5,791)	(5,828)	(5,725)	(6,486)
Cash flow	86,995	88,389	80,137	80,554
Per basic share[1][2]	$0.56	$0.57	$0.52	$0.52
Per diluted share[1][2]	$0.56	$0.57	$0.52	$0.52
Cash from operating activities	100,066	90,530	83,404	69,143
Per basic share[1][2]	$0.65	$0.58	$0.54	$0.45
Per diluted share[1][2]	$0.64	$0.58	$0.54	$0.45
Net income	32,021	52,483	34,039	32,694
Per basic share[1][2]	$0.21	$0.34	$0.22	$0.21
Per diluted share[1][2]	$0.21	$0.34	$0.22	$0.21
Dividends paid	54,303	54,186	52,568	52,356
Per share[1][6]	$0.35	$0.35	$0.34	$0.34
Capital expenditures	1,600	1,767	1,454	887
Acquisitions, excl. decommissioning obligations[1]	-	38,994	2,452	10,234
Basic W.A.[4] shares outstanding[3]	155,027	154,809	154,609	153,885
Diluted W.A.[4] shares outstanding[3]	155,438	155,431	155,269	154,538
Selected statement of financial position results ($000s)	**At. Sep. 30, 2026**	**At. Jun. 30, 2026**	**At. Mar. 31, 2026**	**At. Dec. 31, 2025**
Total assets	2,176,184	2,216,659	2,202,235	2,221,715
Working capital	29,006	54,608	47,096	55,999
Adjusted working capital[1]	35,098	48,006	47,864	53,274
Net debt[1]	463,483	497,385	492,051	517,494
Common shares outstanding[3]	155,151	154,851	154,740	153,990

Three months ended ($000s) except per share	**Sep. 30, 2025**	**Jun. 30, 2025**	**Mar. 31, 2025**	**Dec. 31, 2024**
Royalty production revenue	52,291	58,368	68,683	60,234
Processing revenue	21,221	20,167	19,589	18,838
Other income[5]	2,931	2,653	3,883	3,107
Total	76,443	81,188	92,155	82,179
Cash expenses:				
Operating	(1,545)	(2,199)	(1,759)	(1,600)
Marketing	(307)	(370)	(445)	(356)
General and administrative	(1,864)	(1,893)	(2,179)	(2,894)
Realized gain on financial instruments	8,737	5,166	821	3,464
Interest expense	(6,620)	(6,267)	(6,854)	(6,940)
Cash flow	74,844	75,625	81,739	73,853
Per basic share[1][2]	$0.49	$0.49	$0.53	$0.49
Per diluted share[1][2]	$0.49	$0.49	$0.53	$0.49
Cash from operating activities	78,147	80,731	80,739	64,930
Per basic share[1][2]	$0.51	$0.52	$0.53	$0.43
Per diluted share[1][2]	$0.51	$0.52	$0.52	$0.43
Net income	25,573	42,463	28,011	19,874
Per basic share[1][2]	$0.17	$0.28	$0.18	$0.13
Per diluted share[1][2]	$0.17	$0.28	$0.18	$0.13
Dividends paid	52,303	52,283	50,745	50,617
Per share[1][6]	$0.34	$0.34	$0.33	$0.33
Capital expenditures	1,864	1,608	902	2,418
Work in progress capital costs	—	—	—	(21,295)
Acquisitions, excl. decommissioning obligations[1]	71,733	26,001	17,470	331,380
Basic W.A.[4] shares outstanding[3]	153,794	153,774	153,770	151,423
Diluted W.A.[4] shares outstanding[3]	154,442	154,401	154,430	152,149
Selected statement of financial position results ($000s)	**At Sep. 30, 2025**	**At Jun. 30, 2025**	**At Mar. 31, 2025**	**At Dec. 31, 2024**
Total assets	2,230,374	2,199,745	2,204,513	2,223,169
Working capital (deficit)	(26,633)	50,640	46,694	51,758
Adjusted working capital (deficit)[1]	(30,773)	40,319	49,448	48,372
Net debt[1]	535,412	485,166	480,730	492,024
Common shares outstanding[3]	153,831	153,774	153,774	153,457

(1) Refer to "*Non-GAAP and Other Financial Measures*".
(2) As noted, calculated using the basic or diluted weighted average number of shares outstanding during the respective periods.
(3) Presented in thousand shares outstanding.
(4) Weighted average.
(5) Includes interest income ($mm): Q3 2026 – 0.1; Q2 2026 – 0.08; Q1 2026 - 0.07; Q4 2025 - 0.05; Q3 2025: 0.05; Q2 2025: 0.09; Q1 2025: 0.08; and Q4 2024: 0.3.
(6) Represents the cumulative per share dividends paid to shareholders of record during the respective periods.

SELECTED ANNUAL INFORMATION FROM CONTINUING OPERATIONS

($000s) except per share	Year ended Dec. 31, 2025	Year ended Dec. 31, 2024	Year ended Dec. 31, 2023
Royalty production revenue	241,810	233,426	250,488
Processing revenue	82,907	66,377	56,203
Other income[5]	11,787	12,595	14,724
Total	**336,504**	**312,398**	**321,415**
Cash expenses:			
Operating	(6,530)	(7,349)	(6,896)
Marketing	(1,537)	(1,360)	(1,468)
General and administrative	(9,274)	(8,220)	(6,910)
Realized gain on financial instruments	19,826	11,316	9,261
Interest expense	(26,227)	(27,466)	(29,099)
Cash flow	**312,762**	**279,319**	**286,303**
Per basic share[1][2]	$2.03	$1.91	$1.98
Per diluted share[1][2]	$2.03	$1.90	$1.97
Cash from operating activities	308,760	276,271	300,576
Per basic share[1][2]	$2.01	$1.89	$2.08
Per diluted share[1][2]	$2.00	$1.88	$2.07
Net income	128,741	105,656	121,118
Per basic share[2]	$0.84	$0.72	$0.84
Per diluted share[2]	$0.83	$0.72	$0.83
Dividends paid	207,687	191,167	176,316
Per share[1][6]	$1.35	$1.30	$1.22
Capital expenditures	5,261	7,330	4,568
Basic W.A.[4] shares outstanding[3]	153,806	146,521	144,493
Diluted W.A.[4] shares outstanding[3]	154,424	147,131	145,370

Selected statement of financial position results ($000s)	At Dec. 31, 2025	At Dec. 31, 2024	At Dec. 31, 2023
Total assets	2,221,715	2,223,169	1,900,601
Working capital	55,999	51,758	53,295
Adjusted working capital[1]	53,274	48,372	48,900
Common shares outstanding[3]	153,990	153,457	144,741

(1) Refer to *"Non-GAAP and Other Financial Measures"*.
(2) As noted, calculated using the basic or diluted weighted average number of shares outstanding during the respective years.
(3) Presented in thousand shares outstanding.
(4) Weighted average.
(5) Includes interest income for 2025 of $0.3 million (2024 - $0.8 million and 2023 - $0.6 million).
(6) Represents the cumulative per share dividends paid to shareholders of record during the respective years.

Quarterly and Annual Results

The oil and natural gas exploration and production industry is cyclical in nature. Topaz's financial position, results of operations and cash flows are affected by commodity prices and production levels as its royalty production revenue is directly impacted by commodity prices and production levels. In addition, commodity prices and production levels can indirectly affect its processing revenue and other income.

Topaz's Q3 2026 average royalty production of 23,507 boe/d increased 9% from Q3 2025 (21,596 boe/d), and was 3% lower than Q2 2026 (24,233 boe/d). The annual increase in third quarter average royalty production is attributed to royalty acquisitions and royalty production growth from operator-funded development. Q3 2026 processing revenue of $21.1 million decreased 1% from Q3 2025 ($21.2 million) primarily attributed to lower surplus capacity utilization during the quarter. Topaz's cash flow of $87.0 million generated during Q3 2026 was 16% higher than Q3 2025 ($74.8 million), and 2% lower than Q2 2026 ($88.4 million). The increase in cash flow generated during Q3 2026, relative to the prior year, is attributed to a 9% increase in royalty production and 42% increase in realized commodity pricing, lower expenses, offset by a 1% decrease in processing revenue and current income tax expense as the Company became cash taxable during Q1 2026.

Topaz's average royalty production for the year ended December 31, 2025 of 22,417 boe/d was 17% higher than average royalty production during the year ended December 31, 2024 (19,227 boe/d), and 19% higher than average royalty production during the year ended December 31, 2023 (18,853 boe/d). The increases are attributed to royalty acquisitions and royalty production growth attributed to operator-funded development on Topaz's royalty acreage, offset by the impact of a contractually scheduled royalty rate change from 4% to 3%, effective January 1, 2024, on approximately 300 mmcf/d of gross natural gas production. Topaz's cash flow of $312.8 million for the year ended December 31, 2025 was 12% higher than cash flow of $279.3 million during the year ended December 31, 2024 and 9% higher than cash flow of $286.3 million for the year ended December 31, 2023. The higher cash flow generated during 2025, as compared to 2024 and 2023, is the result of increased royalty production volume attributed to acquisitions completed and operator-funded development across Topaz's royalty acreage and an increase in processing revenue, offset by lower average realized commodity pricing.

SUPPLEMENTAL INFORMATION REGARDING PRODUCT TYPES

The following table is intended to provide supplemental information about the product type and composition for each of the royalty production volume figures that are provided throughout this MD&A.

For the three months ended	Sep. 30, 2026	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025
Average daily production					
Light and medium crude oil (bbl/d)	1,887	1,871	1,918	1,928	1,910
Heavy crude oil (bbl/d)	3,825	3,789	3,657	3,515	3,386
Conventional natural gas (mcf/d)	56,399	59,547	60,081	58,597	53,784
Shale gas (mcf/d)	42,077	42,773	45,578	40,455	35,812
Natural gas liquids (bbl/d)	1,381	1,518	1,423	1,446	1,365
Total (boe/d)	**23,507**	**24,233**	**24,609**	**23,399**	**21,596**

For the nine months ended	Sep. 30, 2026	Sep. 30, 2025
Average daily production		
Light and medium crude oil (bbl/d)	1,891	1,990
Heavy crude oil (bbl/d)	3,758	3,285
Conventional natural gas (mcf/d)	58,662	55,154
Shale gas (mcf/d)	43,463	37,466
Natural gas liquids (bbl/d)	1,440	1,373
Total (boe/d)	**24,112**	**22,086**

Advisories and Forward-Looking Statements

This MD&A contains forward-looking information and statements (collectively, "forward-looking information") within the meaning of applicable securities laws. This forward-looking information relates to future events or Topaz's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential" and "capable" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. This information speaks only as of the date of this MD&A or, if applicable, as of the date specified in those documents specifically referenced herein. In addition, this MD&A may contain forward-looking information attributed to third-party sources.

Without limitation of the foregoing, this MD&A contains forward-looking information pertaining to the following:

- expectations for Topaz's future financial and operational performance;
- growth and realization of future value from its gross overriding royalty interests on Tourmaline and other third-party lands;
- interests in natural gas processing plants and other infrastructure operated by Tourmaline and other third parties and associated long-term take-or-pay commitments from operators;
- a contracted interest in certain third-party revenues for natural gas processing and other acquired or proposed to be acquired assets (collectively, the "Assets");
- estimated future revenue and growth opportunities associated with the Assets;
- estimated future dividends and dividend policy;
- production estimates;
- future demand for and prices of commodities;
- business prospects;
- the ability to complete the acquisition of certain assets and the timing for completion thereof;
- the future scalability of Topaz's business model;
- potential future acquisitions and other transactions;
- anticipated payout ratios, distribution yields, revenue accretion and financial performance or outlooks;
- potential for future tax planning transactions;
- future costs, capital expenditures and debt levels of Topaz;
- the reserve potential of royalty payor’s assets; and
- the anticipated production from third-party’s assets and anticipated future cash flows from such assets.

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 will be dependent upon, among other things, cash flow, 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 the Syndicated Credit Facility.

With respect to forward-looking information contained in this MD&A, assumptions have been made regarding, among other things:

- future crude oil, heavy oil, natural gas liquids and natural gas prices;
- future interest rates and currency exchange rates;
- Topaz's ability to obtain and retain qualified staff and equipment in a timely and cost–efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters;
- the ability to market production of crude oil and natural gas successfully;
- third-party future production levels and growth prospects;
- the applicability of technologies for recovery and production of third-party reserves;
- future capital expenditures to be made by Topaz;
- future cash flows from production meeting the expectations stated in this MD&A;
- the impact of competition on Topaz; and
- Topaz's ability to obtain financing (equity or debt) on acceptable terms.

The information in this MD&A, including Topaz's actual results, could differ materially from those anticipated in the forward-looking information due to a number of factors and risks, including the following:

- the amount of capital expenditures and the results of operations and development activities by the owners of Topaz's royalty interest lands;
- changes in laws or royalty regimes;
- investor demand for any equity offering;
- the effect of geopolitical uncertainty, including tariffs;
- credit and other third-party or counterparty risks;
- failure to complete or realize the benefits of acquisitions;
- the Assets not being developed by counterparties in the manner anticipated by Topaz;
- the continuance of third-party processing and other fees at competitive market rates and current demand levels;
- volatility in the demand, supply and market prices for crude oil, heavy oil, natural gas and natural gas liquids;
- reliance on Tourmaline and other third parties with respect to annual revenue streams;
- liabilities inherent in petroleum and natural gas operations;
- uncertainties associated with estimating crude oil, heavy oil, natural gas liquids and natural gas reserves and future production levels;
- competition for, among other things, third-party capital and acquisitions of reserves, additional petroleum and natural gas assets and undeveloped lands;
- incorrect assessments of the value of the Assets or future acquisitions;
- risks related to the environment and changing environmental laws in relation to the operations conducted on or with respect to the Assets;
- claims made or legal actions brought or realized against Topaz or its properties or assets;
- a failure by Topaz to obtain or retain key personnel;
- a decrease or elimination of the payment of dividends by Topaz as a result of a board determination, financial constraints or restrictions under applicable agreements or corporate laws;
- general economic, market and business conditions; and
- changes in tax or environmental laws or royalty or incentive programs relating to the crude oil and natural gas industry.

Management has included the above summary of assumptions and risks related to forward-looking information provided in this MD&A, in order to provide readers with a more complete perspective on Topaz's future operations and such information may not be appropriate for other purposes. Topaz's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, if any, that the Company will derive therefrom. Readers are cautioned that the foregoing lists of factors are not exhaustive.

These forward-looking statements are made as of the date of this MD&A and the Company disclaims any intent or obligation to update any forward-looking statements, whether, as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

Boe Conversions

Per barrel of oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil equivalent (6:1). Barrel of oil equivalents (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. 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.

Abbreviations

000's	thousand dollars	mboe	thousand barrels of oil equivalent
bbl	barrel	mcf	thousand cubic feet
bbl/d	barrels per day	mcf/d	thousand cubic feet per day
bcf	billion cubic feet	mmbbls	million barrels
boe/d	barrel of oil equivalent per day	mmboe	millions of barrels of oil equivalent
CAD	Canadian dollar	mmcf	million cubic feet
Crude oil	Light and medium crude oil combined	mmcf/d	million cubic feet per day
GJ	gigajoule	USD	United States dollar
GJ/d	gigajoules per day	WTI	West Texas Intermediate
mbbls	thousand barrels	WCS	Western Canada Select

TOPAZ ENERGY CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at ($000s) (*unaudited)*	**Sep. 30, 2026**	**Dec. 31, 2025**
Assets		
Current Assets		
Cash	$ 863	$ 580
Accounts receivable *(note 12)*	64,704	55,618
Prepaids and deposits	429	721
Fair value of financial instruments (*note 5)*	3,055	4,536
Total Current Assets	**69,051**	**61,455**
Fair value of financial instruments *(note 5)*	913	821
Petroleum and natural gas interests *(note 7)*	2,106,220	2,159,439
Total Assets	**$ 2,176,184**	**$ 2,221,715**
Liabilities and Shareholders' Equity		
Accounts payable and accrued liabilities	$ 8,689	$ 3,645
Current income tax liability	22,209	–
Fair value of financial instruments *(note 5)*	9,147	1,811
Total Current Liabilities	40,045	5,456
Fair value of financial instruments *(note 5)*	7,017	–
Deferred income tax liability	137,174	119,608
Bank debt *(note 8)*	498,581	570,768
Decommissioning obligation *(note 9)*	5,526	5,406
Total Liabilities	**688,343**	**701,238**
Shareholders' Equity		
Share capital *(note 10)*	1,761,650	1,744,598
Contributed surplus	64,012	71,186
Deficit	(337,821)	(295,307)
Total Shareholders' Equity	1,487,841	1,520,477
Total Liabilities and Shareholders' Equity	**$ 2,176,184**	**$ 2,221,715**

Refer to accompanying notes to the consolidated financial statements
Subsequent event (*note 14)*

TOPAZ ENERGY CORP.
CONSOLIDATED STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

For the periods ended	**Three months**		**Nine months**	
($000s, except for share information) (*unaudited*)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
		(adjusted, note 2)		*(adjusted, note 2)*
Royalty production revenue *(note 12)*	$ 81,458	$ 52,291	$ 241,605	$ 179,342
Processing revenue *(note 12)*	21,051	21,221	62,830	60,977
Other income	1,825	2,931	5,686	9,467
Realized gain (loss) on financial instruments *(note 5)*	1,170	8,737	(3,138)	14,724
Unrealized gain (loss) on financial instruments *(note 5)*	(18,314)	(4,764)	(15,742)	1,724
	87,190	**80,416**	**291,241**	**266,234**
Expenses				
Operating	866	1,545	4,498	5,503
Marketing	393	307	1,397	1,122
General and administrative	1,936	1,864	6,014	5,936
Share-based compensation *(note 10)*	1,521	1,350	3,085	2,973
Finance *(note 13)*	6,039	6,824	18,022	20,309
Depletion and depreciation *(note 7)*	33,979	34,551	101,866	102,788
	44,734	46,441	134,882	138,631
Net income before taxes	**42,456**	**33,975**	**156,359**	**127,603**
Current income tax expense	9,523	–	22,209	–
Deferred income tax expense	912	8,402	15,607	31,556
Income tax expense	10,435	8,402	37,816	31,556
Net income and comprehensive income	**$ 32,021**	**$ 25,573**	**$ 118,543**	**$ 96,047**
Net income per common share				
Basic (*note 11)*	$ 0.21	$ 0.17	$ 0.77	$ 0.62
Diluted *(note 11)*	$ 0.21	$ 0.17	$ 0.76	$ 0.62

Refer to accompanying notes to the consolidated financial statements

TOPAZ ENERGY CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

($000s) *(unaudited)*	Share Capital	Contributed Surplus	Retained Earnings (deficit)	Total Shareholders Equity
Balance, Dec. 31, 2024	**$1,734,408**	**$63,827**	**$(216,361)**	**$1,581,874**
Exercise of share-based awards	6,637	(5,673)	—	964
Share-based compensation	—	5,261	—	5,261
Tax deduction on excess value of share-based awards	—	(1,317)	—	(1,317)
Net income	—	—	96,047	96,047
Dividends to common shareholders	—	—	(155,331)	(155,331)
Balance, Sep. 30, 2025	**$1,741,045**	**$62,098**	**$(275,645)**	**$1,527,498**
Exercise of share-based awards	3,553	(2,566)	—	987
Share-based compensation	—	9,346	—	9,346
Tax deduction on excess value of share-based awards	—	2,308	—	2,308
Net income	—	—	32,694	32,694
Dividends to common shareholders	—	—	(52,356)	(52,356)
Balance, Dec. 31, 2025	**$1,744,598**	**$71,186**	**$(295,307)**	**$1,520,477**

($000s) (*unaudited*)	Share Capital	Contributed Surplus	Retained Earnings (deficit)	Total Shareholders Equity
Balance, Dec. 31, 2025	**$1,744,598**	**$71,186**	**$(295,307)**	**$1,520,477**
Exercise of share-based awards *(note 10)*	17,052	(10,725)	—	6,327
Share-based compensation *(note 10)*	—	5,510	—	5,510
Tax deduction on excess value of share-based awards	—	(1,959)	—	(1,959)
Net income	—	—	118,543	118,543
Dividends to common shareholders *(note 10)*	—	—	(161,057)	(161,057)
Balance, Sep. 30, 2026	**$1,761,650**	**$64,012**	**$(337,821)**	**$1,487,841**

Refer to accompanying notes to the consolidated financial statements

TOPAZ ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the periods ended	Three months		Nine months	
($000s) (*unaudited*)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
		(adjusted, note 2)		*(adjusted, note 2)*
Operating Activities				
Net income	$ 32,021	$ 25,573	$ 118,543	$ 96,047
Items not affecting cash				
Unrealized (gain) loss on financial instruments (*note 5)*	18,314	4,764	15,742	(1,724)
Accretion expense *(note 9)*	58	50	165	145
Share-based compensation (*note 10)*	1,521	1,350	3,085	2,973
Amortization of debt transaction costs (*note 13)*	190	154	513	423
Depletion and depreciation (*note 7)*	33,979	34,551	101,866	102,788
Deferred income tax expense	912	8,402	15,607	31,556
Cash flow	**86,995**	**74,844**	**255,521**	**232,208**
Net change in non-cash working capital	13,071	3,303	18,479	7,409
Cash from operating activities	**100,066**	**78,147**	**274,000**	**239,617**
Financing Activities				
Exercise of share-based awards	3,000	964	6,327	964
Repayments on bank debt *(note 8)*	(47,000)	(21,000)	(72,000)	(34,500)
Debt transaction costs	—	—	(700)	(1,680)
Dividends paid *(note 10)*	(54,303)	(52,303)	(161,057)	(155,331)
Net change in non-cash working capital	214	(3,620)	105	52
Cash used in financing activities	**(98,089)**	**(75,959)**	**(227,325)**	**(190,495)**
Investing Activities				
Petroleum and natural gas interests *(note 7)*	(1,600)	(1,864)	(4,821)	(4,374)
Property and infrastructure acquisitions *(note 6)*	—	(71,733)	(41,446)	(115,204)
Net change in non-cash working capital	(747)	71,534	(125)	70,740
Cash used in investing activities	**(2,347)**	**(2,063)**	**(46,392)**	**(48,838)**
Increase (decrease) in cash	(370)	125	283	284
Cash and cash equivalents, beginning	1,233	306	580	147
Cash and cash equivalents, end	**$ 863**	**$ 431**	**$ 863**	**$ 431**

Refer to accompanying notes to the consolidated financial statements

1. NATURE OF THE ORGANIZATION

Topaz Energy Corp. ("Topaz" or the "Company") is a royalty and infrastructure energy company focused on generating low risk income and paying dividends to its shareholders, while strategically investing in additional revenue generating assets to provide growth. The Company was incorporated under the laws of the Province of Alberta on October 13, 2006.

These unaudited interim condensed consolidated financial statements reflect only the Company's proportionate interest in its business activities and comprise Topaz Energy Corp. and its subsidiaries; Reserve Royalty Commercial Trust, Reserve Royalty GP Ltd., Reserve Royalty GP#2 Ltd., Reserve Royalty Limited Partnership, Reserve Royalty (Manitoba) Limited Partnership, 2377100 Alberta Ltd., and Jarvie Royalty Partnership. The Company's registered office is located at Suite 2400, 525 – 8th Avenue S.W., Calgary, Alberta, Canada T2P 1G1.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". These unaudited interim condensed consolidated financial statements do not include all of the information and disclosure required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at and for the years ended December 31, 2025 and 2024.

These unaudited interim condensed consolidated financial statements have been prepared on a going-concern basis, amounts are in thousands of Canadian dollars unless otherwise stated and were authorized for issuance by the Company's Board of Directors on November 2, 2026.

(b) Functional and presentation currency

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars, which is the functional currency of Topaz.

(c) Accounting policies and significant judgments

The accounting policies and significant accounting judgments, estimates, and assumptions used in these unaudited interim condensed consolidated financial statements are consistent with those described in notes 2 and 3 of the Company's annual consolidated financial statements as at and for the years ended December 31, 2025 and 2024.

(d) Geopolitical uncertainty

Over the past few years, the market has experienced volatile supply and demand changes, ranging from excess supply to significant supply and demand volatility attributed to the global health crisis and the current geopolitical environment, including recent uncertainties surrounding tariffs and the war in Iran. Geopolitical events continue to have an impact on the global economy which can lead to fluctuations in global trade, economies and financial markets.

These political changes create uncertainty about future government policies, regulations and trade relationships between major global economies which may result in broad-based volatility in energy markets. Adverse changes to trade relations, including tariffs, may have a long-term impact on the Company's results of operations, access to capital and/or financial position. The Company continues to monitor the effects of current events on operations.

(e) Future accounting pronouncements

In April 2024, the IASB issued a new Accounting Standard IFRS 18 *Presentation and Disclosure in Financial Statements*, which will replace IAS 1 *Presentation of Financial Statements*. The new accounting standard will change how items of net income are presented on the face of the Consolidated Statements of Net Income and Comprehensive Income and disclose information in the notes to the financial statements. As well, management-defined performance measures will now be disclosed in the financial statements and subject to audit. The new Accounting Standard is effective from January 1, 2027, and applies retrospectively. Early adoption is permitted. The Company is assessing the potential effects of this new accounting standard.

(f) Voluntary change in accounting policy

During the fourth quarter of 2025, the Company voluntarily changed its accounting policy to deplete only those costs associated with developed royalty assets, with the remaining undeveloped costs excluded from the calculation, to be transferred into the depletable base as development occurs. The depletable assets continue to be depleted by reference to the ratio of royalty production in the period to forecasted proved and probable developed petroleum and natural gas reserves.

The Company believes the change in depletion policy provides more reliable and relevant information to the users of the financial statements as it more closely aligns depletion expense to the attributable underlying reserves.

In accordance with IAS 8, management has applied voluntary change in accounting policy retrospectively. The interim condensed consolidated financial statements have been adjusted to reflect adjustments made as a result of this change. The tables below present the impact of the change in accounting policy for the three and nine months ended September 30, 2025 on the consolidated statements of net income and comprehensive income and the consolidated statements of cash flows, for each of the line items impacted. There have been no changes to any of the Company's cash flow metrics as a result of the change in policy.

Impacts on the Consolidated Statements of Net Income and Comprehensive Income

	Three months ended Sep. 30, 2025			Nine months ended Sep. 30, 2025		
For the periods ended ($000s)	Previous	Adjustment	Adjusted	Previous	Adjustment	Adjusted
Depletion and depreciation	52,197	(17,646)	34,551	157,247	(54,459)	102,788
Deferred income tax expense	4,972	3,430	8,402	21,340	10,216	31,556
Net income and comprehensive income	11,357	14,216	25,573	51,804	44,243	96,047

Impacts on the Consolidated Statements of Cash Flows

	Three months ended Sep. 30, 2025			Nine months ended Sep. 30, 2025		
For the periods ended ($000s)	Previous	Adjustment	Adjusted	Previous	Adjustment	Adjusted
Net income and comprehensive income	11,357	14,216	25,573	51,804	44,243	96,047
Depletion and depreciation	52,197	(17,646)	34,551	157,247	(54,459)	102,788
Deferred income tax expense	4,972	3,430	8,402	21,340	10,216	31,556

3. CAPITAL MANAGEMENT

In order to manage its capital structure, the Company's objective is to maintain financial flexibility in order to distribute cash to shareholders in the form of dividends after considering the Company's operational financial requirements and its future growth opportunities. As a royalty and non-operated infrastructure company, Topaz does not have any significant capital expenditure commitments, which enhances its financial flexibility.

The Company considers its capital structure to include shareholders' equity, bank debt and working capital. In order to maintain or adjust the capital structure, the Company may from time-to-time issue equity, utilize available credit facilities, adjust its dividend distributions and/or adjust its investment activities to manage current and forecast debt levels. The Company's operating results, and capital structure are impacted by royalty production volumes, commodity prices and third-party revenue generated at its non-operated processing facilities or through its contracted third-party income.

The Company's capital structure is managed through its financial and operating forecast process. The forecast of the Company's future cash flows is based on estimates of royalty interest production, natural gas, crude oil and natural gas liquids prices, third-party facility utilization, operating and marketing expense, administrative expenses, taxes and other investing and financing activities. The forecast is regularly updated based on changes in commodity prices, royalty interest production expectations, third-party facility utilization expectations and other factors that, in the Company's view, could impact cash from operating activities.

Management uses the terms "adjusted working capital", "net debt", free cash flow ('FCF') and "Excess FCF" to measure the Company's liquidity position and capital flexibility, as such these terms are considered capital management measures. "Adjusted working capital" is calculated as current assets less current liabilities, adjusted for financial instruments and work in progress capital costs. "Net debt" is calculated as total debt outstanding less adjusted working capital. "FCF" is defined as cash flow less capital expenditures and provides a measure of cash available after capital costs, but before acquisitions. Excess FCF is defined as FCF less dividends paid. Management uses FCF for its own performance measures and to provide investors with a measure of the Company's efficiency and its ability to generate the cash necessary to fund or increase dividends, fund future growth opportunities and/or to repay debt.

As at September 30, 2026, the Company had adjusted working capital of $35.1 million (December 31, 2025 – adjusted working capital of $53.3 million), unutilized capacity of $199.5 million on its Syndicated Credit Facility (note 8), and $300.0 million of additional capacity available through an accordion feature (subject to agent consent). Net debt as at September 30, 2026, was $463.5 million, compared to net debt at December 31, 2025 of $517.5 million. During the three months ended September 30, 2026, the Company generated cash flow of $87.0 million and paid dividends of $54.3 million. During the nine months ended September 30, 2026, the Company generated cash flow of $255.5 million, completed $41.4 million in acquisitions, and paid dividends of $161.1 million.

A reconciliation of working capital to adjusted working capital and net debt as at September 30, 2026 and December 31, 2025 is provided below.

As at ($000s)	**Sep. 30, 2026**	**Dec. 31, 2025**
Working capital	29,006	55,999
Exclude fair value of financial asset (liability)	(6,092)	2,725
Adjusted working capital	**35,098**	**53,274**
Less: bank debt	498,581	570,768
Net debt	**463,483**	**517,494**

For the three months ended September 30, 2026, the Company generated FCF of $85.4 million (three months ended September 30, 2025 - $73.0 million), after capital expenditures of $1.6 million (three months ended September 30, 2025 - $1.9 million). After the payment of dividends, Topaz generated $31.1 million of Excess FCF during the three months ended September 30, 2026 (three months ended September 30, 2025 - $20.7 million).

For the nine months ended September 30, 2026, the Company generated FCF of $250.7 million (nine months ended September 30, 2025 - $227.8 million), after capital expenditures of $4.8 million (nine months ended September 30, 2025 - $4.4 million). After the payment of dividends, Topaz generated $89.6 million of Excess FCF during the nine months ended September 30, 2026 (nine months ended September 30, 2025 - $72.5 million).

A reconciliation of FCF and Excess FCF for the three and nine months ended September 30, 2026 and 2025 is outlined below.

	Three months		**Nine months**	
For the periods ended ($000s)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
Cash from operating activities	100,066	78,147	274,000	239,617
Exclude net change in non-cash working capital	13,071	3,303	18,479	7,409
Cash flow	**86,995**	**74,844**	**255,521**	**232,208**
Less: Capital expenditures	1,600	1,864	4,821	4,374
FCF	**85,395**	**72,980**	**250,700**	**227,834**
Less: Dividends	54,303	52,303	161,057	155,331
Excess FCF	**31,092**	**20,677**	**89,643**	**72,503**

4. DETERMINATION OF FAIR VALUE

The Company's fair value measurements require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level. The Company's risk management contracts are considered Level 2.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework, and the Board has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company's financial risks are consistent with those discussed in note 6 of the Company's annual consolidated financial statements as at and for the years ended December 31, 2025 and 2024.

As at September 30, 2026, the Company has entered into certain financial derivative, interest rate and currency contracts in order to mitigate exposure to commodity price and interest rate volatility. These instruments are not used for trading or speculative purposes. The Company has not designated its financial derivative contracts as effective accounting hedges, even though the Company considers all commodity, interest rate and foreign exchange rate contracts to be effective economic hedges. As a result, all such contracts are recorded on the interim condensed consolidated statements of financial position at fair value, with changes in fair value being recognized as an unrealized gain or loss on the interim condensed consolidated statements of net income and comprehensive income.

The Company utilizes financial derivatives, interest rate and foreign exchange contracts as a risk management technique to mitigate exposure to market price volatility. The following tables present the financial derivative contracts, foreign currency and interest rate contracts outstanding as at September 30, 2026. The fair value of these contracts is a net liability of $12.2 million at September 30, 2026 (December 31, 2025 – net asset of $3.5 million) as detailed below.

Contract type		Q4 2026	Q1 2027	Q2 2027	Q3 2027	>1 year
AECO (5A) fixed price	Average Volumes (GJ/d)	16,739	7,500	—	—	—
	W.A.[1] Price (C$/GJ)	$3.06	$3.39	—	—	—
NYMEX-Call option	Average Volumes (mmbtu/d)	15,000	—	—	—	—
	W.A.[1] Price (USD$/mmbtu)	$4.50	—	—	—	—
WTI fixed price	Average Volumes (bbl/d)	1,500	500	500	500	500
	W.A.[1] Price (USD$/bbl)	$71.78	$70.00	$70.00	$70.00	$70.00
WTI Collar	Average Volumes (bbl/d)	—	1,000	1,000	1,000	1,000
	W.A.[1] Price (USD$/bbl)	—	$58.80 - $80.00	$58.80 - $80.00	$58.80 - $80.00	$58.80 - $80.00
WTI Call option	Average Volumes (bbl/d)	—	1,000	1,000	1,000	1,000
	W.A.[1] Price (USD$/bbl)	—	$81.30	$81.30	$81.30	$81.30

(1) Weighted average.

The Company's financial derivative contracts are sensitive to fluctuations in commodity prices, which could materially impact the fair value of derivative assets and liabilities. At September 30, 2026, a change to sensitivities noted below would have the following impact on the fair value of commodity derivative contracts:

Contract type	Price Change	Sensitivity ($000s)
AECO (5A) fixed price (CAD)	+/- $0.10/GJ	+/- 0.22
NYMEX-Call option (USD)	+/- $0.10/mmbtu	+/- 0.01
WTI fixed price (USD)	+/- $1.00/bbl	+/- 0.40
WTI Collar (USD)	+/- $1.00/bbl	+/- 0.40

At September 30, 2026, the Company had the following foreign exchange derivative contract in place:

Contract type and currency	Term	Notional Amount (US$000/month)	Floor price	Ceiling price
USD/CAD variable rate collar	October 2026 - December 2026	2,000	$ 1.3200	$ 1.4050

For the current foreign exchange contracts in place at September 30, 2026, if the future strip prices for USD/CAD exchange rate increased by $0.01, with all other variables held constant, the 2026 unrealized loss on foreign exchange contracts would increase by $0.1 million. An equal and opposite result would occur if the foreign exchange rate decreased by $0.01.

As at September 30, 2026, the Company had the following interest rate derivative contract in place:

Contract type	Term	Notional Amount (CAD$000/month)	Interest rate
Extendable fixed rate interest rate swap	October 2026 – April 2028[1]	150,000	2.45%

[1] Extendable for 1 year at the option of the financial institution.

For the interest rate swap contract in place at September 30, 2026, if the future CORRA rates increased by 10 bps, with all other variables held constant, the 2026 unrealized gain on interest rate contracts would increase by $0.2 million. An equal and opposite result would occur if CORRA rates decreased by 10 bps.

Financial assets and liabilities are presented on a net basis if the Company has a legal right to offset and intends to either settle on a net basis or to realize the asset and settle the liability simultaneously. The Company offsets financial assets and liabilities when the counterparty, currency and timing of settlement are the same. As at September 30, 2026, there were no financial derivative contracts presented on a net basis in the consolidated statements of financial position (December 31, 2025 – nil).

As at September 30, 2026 and December 31, 2025 the reconciliation of financial instruments to the consolidated statements of financial position includes:

	At Sep. 30, 2026		At Dec. 31, 2025	
($000s)	Asset	Liability	Asset	Liability
Current financial instruments	3,055	9,147	4,536	1,811
Long term financial instruments	913	7,017	821	–

The following table provides the realized and unrealized gains and losses on financial instruments for the periods presented.

	Three months		Nine months	
For the periods ended ($000s)	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Realized gain (loss) on financial instruments	1,170	8,737	(3,138)	14,724
Unrealized gain (loss) on financial instruments	(18,314)	(4,764)	(15,742)	1,724
Total	**(17,144)**	**3,973**	**(18,880)**	**16,448**

6. ACQUISITIONS

	Three months		Nine months	
For the periods ended ($000s)	Sep. 30, 2026	Sep. 30, 2025	Sep. 30, 2026	Sep. 30, 2025
Royalty assets	–	71,733	38,689	88,365
Infrastructure assets	–	–	2,757	27,064
Total acquisitions	**–**	**71,733**	**41,446**	**115,429**

On June 30, 2026, the Company acquired a gross overriding royalty interest across approximately 0.3 million gross acres (over 80% undeveloped) for total cash consideration of $38.7 million, before customary closing adjustments.

During the nine months ended September 30, 2026, the Company elected to participate (based on Topaz's proportionate working interest) in modification or expansion projects at two natural gas processing facilities. Topaz contributed total cash consideration of $2.8 million during the nine months ended September 30, 2026, and received a proportionate increase to the respective take-or-pay fixed fee processing arrangement.

On January 31, 2025, the Company acquired a gross overriding royalty interest across approximately 0.1 million gross acres (over 60% undeveloped) in the Alberta Montney, for total cash consideration of $17.0 million before customary closing adjustments.

On May 30, 2025, the Company acquired a 35% working interest in an Alberta Montney natural gas processing facility for total cash consideration of $26.0 million and the assumption of a decommissioning obligation of $0.3 million, before customary closing adjustments. The facility is supported by contractual commitments that provide the Company with fixed take-or-pay revenue for a 15-year period.

On September 30, 2025, the Company acquired a gross overriding royalty interest on approximately 0.1 million gross acres (over 65% undeveloped), in its NEBC Montney core royalty area for total cash consideration of $71.7 million, before customary closing adjustments.

All transactions for the three and nine months ended September 30, 2026 and 2025 were treated as asset acquisitions.

7. PETROLEUM AND NATURAL GAS INTERESTS

Cost ($000s)	**Developed royalty assets**	**Undeveloped royalty assets**	**Infrastructure assets**	**Office equipment**	**Total**
Balance, Dec. 31, 2024	1,330,835	874,438	498,666	194	2,704,133
Additions	3,203	—	2,034	24	5,261
Acquisitions	55,965	40,214	29,484	—	125,663
Changes in decommissioning liabilities	—	—	(435)	—	(435)
Transfer of costs to developed royalty assets	42,666	(42,666)	—	—	—
Non-cash additions	7,266	—	—	—	7,266
Balance, Dec. 31, 2025	**1,439,935**	**871,986**	**529,749**	**218**	**2,841,888**
Additions	3,674	—	1,133	14	4,821
Acquisitions	2,556	36,133	2,757	—	41,446
Changes in decommissioning liabilities	—	—	(45)	—	(45)
Transfer of costs to developed royalty assets	32,615	(32,615)	—	—	—
Non-cash additions	2,425	—	—	—	2,425
Balance, Sep. 30, 2026	**1,481,205**	**875,504**	**533,594**	**232**	**2,890,535**

Accumulated DD&A ($000s)	**Developed royalty assets**	**Undeveloped royalty assets**	**Infrastructure assets**	**Office equipment**	**Total**
Balance, Dec. 31, 2024	(489,385)	—	(57,831)	(104)	(547,320)
Depletion and depreciation	(116,079)	—	(19,026)	(24)	(135,129)
Balance, Dec. 31, 2025	**(605,464)**	—	**(76,857)**	**(128)**	**(682,449)**
Depletion and depreciation	(87,207)	—	(14,641)	(18)	(101,866)
Balance, Sep. 30, 2026	**(692,671)**	—	**(91,498)**	**(146)**	**(784,315)**

Net Book Value ($000s)	**Developed royalty assets**	**Undeveloped royalty assets**	**Infrastructure assets**	**Office equipment**	**Total**
Balance, Dec. 31, 2025	**834,471**	**871,986**	**452,892**	**90**	**2,159,439**
Balance, Sep. 30, 2026	**788,534**	**875,504**	**442,096**	**86**	**2,106,220**

8. BANK DEBT

At September 30, 2026, Topaz had a covenant-based, unsecured, operating credit facility with a syndicate of Canadian banks in the amount of $700.0 million (”Syndicated Credit Facility”) which provides for a permitted increase to $1.0 billion, subject to agent consent. The maturity date is April 30, 2030. At the request of the Company and with consent of the lender, the Syndicated Credit Facility can be extended on an annual basis.

The Syndicated Credit Facility includes borrowing options of prime rate loans, Secured Overnight Financing Rate (‘SOFR’) loans, U.S. base rate loans, letters of credit and Canadian Overnight Repo Rate Average (‘CORRA’) loans, which will bear interest on a variable pricing grid based on certain financial ratios, in addition to the prevailing applicable interest rate for the respective type of loan. Topaz’s effective interest rate for the nine months ended September 30, 2026 was 4.25% (December 31, 2025 – 4.77%).

The Syndicated Credit Facility is subject to the following covenants, on a rolling four quarter basis: (i) the ratio of consolidated senior debt to EBITDA must not exceed 3.5:1, (ii) the ratio of total debt to EBITDA must not exceed 4.0:1, and (iii) the ratio of Total Debt to Capitalization must not exceed 55%.

The terms "consolidated senior debt", "EBITDA", "total debt", and "capitalization" for purposes of the financial covenants are defined as follows under the Syndicated Credit Facility: "consolidated senior debt" is consolidated total debt excluding any subordinated debt, "EBITDA" is consolidated net income or loss from continuing operations, excluding extraordinary items, plus interest expense, income taxes, and adjusted for non-cash items and gains or losses on dispositions, and in accordance with the credit facility "EBITDA" can be further adjusted for pro-forma material acquisitions; "total debt" is the aggregate principal amount of all consolidated debt; all of which are determined in accordance with GAAP; "capitalization" is the aggregate of consolidated total debt, any convertible debentures and consolidated shareholders' equity.

The following tables reconcile each of the defined terms under the Syndicated Credit Facility as at September 30, 2026 and for the three and nine months ended September 30, 2026 and 2025.

	Three months		Nine months	
For the periods ended ($000s)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
Net income	32,021	25,573	118,543	96,047
Unrealized (gain) loss on financial instruments	18,314	4,764	15,742	(1,724)
Share-based compensation	1,521	1,350	3,085	2,973
Finance expense	6,039	6,824	18,022	20,309
Depletion and depreciation	33,979	34,551	101,866	102,788
Current income tax expense	9,523	—	22,209	—
Deferred income tax expense	912	8,402	15,607	31,556
Less: interest income	(143)	(52)	(298)	(221)
EBITDA	**102,166**	**81,412**	**294,776**	**251,728**

As at ($000s)	**Sep. 30, 2026**
CORRA term loans	500,500
Total consolidated senior debt and total debt	**500,500**
Shareholder's equity	1,487,841
Capitalization	**1,988,341**

Based on the above covenant definitions, as at September 30, 2026, Topaz's ratio of consolidated senior debt to EBITDA was 1.31, total debt to EBITDA was 1.31, and total debt to capitalization was 25%. For the covenant calculations, EBITDA is based on the rolling four quarters calculated in accordance with the terms of the credit agreement. The Company was in compliance with each of its financial covenants.

As at September 30, 2026, there was $500.5 million (December 31, 2025 - $572.5 million) drawn on the Syndicated Credit Facility and $1.9 million in deferred financing costs (December 31, 2025 - $1.7 million).

9. DECOMMISSIONING OBLIGATIONS

The decommissioning liability was estimated based on the Company's net ownership interest in all facilities within the infrastructure cash generating unit ('CGU'), the estimated costs to abandon and reclaim the facilities, and the estimated timing of the costs to be incurred in future periods. The estimated future cash flows have been discounted using an average risk-free rate of 4.30% and an inflation rate of 2.32% at September 30, 2026 (December 31, 2025; 3.85% and 1.98%, respectively). The Company has estimated the net present value of the decommissioning obligations to be $5.5 million at September 30, 2026 (December 31, 2025 - $5.4 million). The undiscounted, uninflated total future liability as at September 30, 2026 is $7.8 million (December 31, 2025 - $7.8 million). The payments are expected to be incurred over the operating lives of the assets. The following table reconciles the decommissioning liability:

($000s)	
Balance, Dec. 31, 2024	**5,419**
Change in estimates	(435)
Acquisitions	225
Accretion expense	197
Balance, Dec. 31, 2025	**5,406**
Change in estimates	(45)
Accretion expense	165
Balance, Sep. 30, 2026	**5,526**

10. SHARE CAPITAL

Authorized

The authorized share capital consists of an unlimited number of common voting shares without par value. The common shares entitle holders to one vote per share at meetings of shareholders.

Issued and Outstanding ($000s except share amounts)	**Number of Shares**	**Amount**
Balance, Dec. 31, 2024	**153,457,046**	**1,734,408**
Exercise of share-based awards	532,831	10,190
Balance, Dec. 31, 2025	**153,989,877**	**1,744,598**
Exercise of share-based awards	1,160,925	17,052
Balance, Sep. 30, 2026	**155,150,802**	**1,761,650**

Dividends

During the three months ended September 30, 2026, the Company paid $54.3 million ($0.35 per common share) in dividends to its shareholders, compared to $52.3 million ($0.34 per common share) during the three months ended September 30, 2025. During the nine months ended September 30, 2026, the Company paid $161.1 million ($1.04 per common share) in dividends to its shareholders, compared to $155.3 million ($1.01 per common share) during the nine months ended September 30, 2025.

SHARE-BASED COMPENSATION

The Company recorded share-based compensation expense of $1.5 million and $3.1 million for the three and nine months ended September 30, 2026, net of capitalized costs (three and nine months ended September 30, 2025 - $1.4 million and $3.0 million, respectively).

	Three months		**Nine months**	
For the period ended ($000s)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
Gross share-based compensation expense	2,418	2,102	5,510	5,261
Capitalized share-based compensation	(897)	(752)	(2,425)	(2,288)
Total share-based compensation expense	**1,521**	**1,350**	**3,085**	**2,973**

Performance Share Unit Awards

The Company has a performance share unit ("PSU") plan, whereby PSUs may be issued to employees, consultants, officers, and members of the Board. Each PSU is a notional unit equal in value to one Common Share, which entitles the holder to a Common Share or cash payment (at the option of the Company) upon redemption, plus accrued dividend equivalents. PSUs awarded under the Company's long-term incentive plan ("LTIP") vest on the third anniversary of the grant date and are adjusted for a performance multiplier ranging from 0 to 2 times which is linked to three-year average corporate performance measures. As at September 30, 2026, 0.9 million PSUs were outstanding (December 31, 2025 – 1.2 million PSUs outstanding).

(000's)	**Number of PSUs**
PSUs outstanding, Dec. 31, 2025	1,224
Granted	269
Exercised	(599)
Forfeited	(15)
Dividend reinvestment	29
PSUs outstanding, Sep. 30, 2026	**908**

The fair value of PSUs granted under the LTIP, during the nine months ended September 30, 2026, was 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. The weighted average fair value of PSUs granted during the nine months ended September 30, 2026 was $23.69 based on a weighted average share price of $27.58, adjusted for the present value of estimated future dividends (September 30, 2025 – $23.40 and $27.15, respectively).

Deferred Share Unit Awards

The Company has a deferred share unit ("DSU") plan, whereby DSUs may be issued to members of the Board. Each DSU is a notional unit which entitles the holder to a Common Share or cash payment (at the option of the Company) upon redemption, plus accrued dividend equivalents. DSUs vest immediately upon grant date but can only be converted to Common Shares or cash upon the holder ceasing to be a director of the Company. At September 30, 2026, 0.2 million DSUs were outstanding (December 31, 2025 – 0.2 million).

(000's)	Number of DSUs
DSUs outstanding, Dec. 31, 2025	172
Granted	30
Dividend reinvestment	6
DSUs outstanding, Sep. 30, 2026	**208**

The fair value of DSUs granted under the plan, during the nine months ended September 30, 2026, was 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. The weighted average fair value of DSUs granted during the nine months ended September 30, 2026 was $23.24, based on a weighted average share price of $29.65, adjusted for the present value of estimated future dividends (September 30, 2025 - $19.16 and $25.41, respectively).

Stock Options

The Company has a stock option plan in place whereby it issued stock options to employees, consultants and directors of the Company. The aggregate number of shares that may be acquired upon exercise of all stock options granted pursuant to the plan shall, at any date or time of determination, not be greater than 5.0% of the number of the Company's basic common shares then issued and outstanding. Stock options are granted throughout the year and vest 1/3 on each the first, second and third anniversaries from the date of grant and expire seven years from the date of issuance. As at September 30, 2026, 0.9 million stock options were outstanding (December 31, 2025 – 1.5 million stock options were outstanding).

(000's)	Number of Stock Options	W.A.[(1)] exercise price
Stock options outstanding, Dec. 31, 2025	**1,465**	**$14.74**
Exercised	(561)	$11.27
Stock options outstanding, Sep. 30, 2026	**904**	**$16.89**

(1) Weighted average.

The following table summarizes the stock options outstanding and exercisable as at September 30, 2026:

Exercise price	Number outstanding at period end	W.A.[(1)] remaining life	W.A.[(1)] exercise price	Number exercisable at period end	W.A.[(1)] exercise price
$10.00 - $11.00	200,000	1.46	$11.00	200,000	$11.00
$11.01 - $15.00	241,500	1.85	$14.44	241,500	$14.44
$15.01 - $21.00	462,000	3.37	$20.72	462,000	$20.72
Total	**903,500**	**2.54**	**$16.89**	**903,500**	**$16.89**

(1) Weighted average.

11. NET INCOME PER COMMON SHARE

Net income per share is calculated by dividing the net income for the period attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the period. The average market value of common shares for purposes of determining the dilutive effect of outstanding stock options was based on quoted market prices for the period.

For the periods ended ($000s)	Three months		Nine months	
($000s, except for share information)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
Net income	32,021	25,573	118,543	96,047
W.A.[(1)] common shares – basic	155,026,889	153,793,971	154,816,623	153,779,389
W.A.[(1)] common shares – diluted	155,437,597	154,441,606	155,223,782	154,412,524
Net income per common share - basic	**$ 0.21**	**$ 0.17**	**$ 0.77**	**$ 0.62**
Net income per common share - diluted	**$ 0.21**	**$ 0.17**	**$ 0.76**	**$ 0.62**

(1) Weighted Average.

For the three and nine months ended September 30, 2026 and 2025, no stock options were excluded from the weighted average share calculation.

12. REVENUE

The Company had two disaggregated sources of revenue: royalty production revenue and processing revenue. Amounts disclosed below do not include realized or unrealized gains or losses on financial derivative contracts resulting from the Company's commodity price risk management activities or other income.

Royalty production revenue

The Company's royalty production revenue is determined pursuant to the terms of its royalty agreements. The commodity prices for natural gas, light and medium crude oil, heavy crude oil, and natural gas liquids are primarily based on market index prices in the month of production and the majority of Topaz's royalty contracts do not permit transportation or quality deductions. The royalty production volumes are currently marketed with the respective royalty payor's production volume and revenue is generally received two months after the natural gas, crude oil and natural gas liquids volumes are produced. The Company can elect to take its share of the royalty production volume in kind, if desired. As at September 30, 2026, 83% of the accounts receivable balance ($64.7 million) related to royalty production revenue (December 31, 2025 – 80%).

Processing revenue

The Company's processing revenue is generated through its non-operated ownership in processing facilities. The facilities provide services to customers on a fee-for-service basis, including natural gas processing and water usage, storage, and disposal. Certain fees include fixed take-or-pay arrangements under long-term commercial arrangements. As at September 30, 2026, 17% of the accounts receivable balance ($64.7 million) related to processing revenue (December 31, 2025 – 20%).

	Three months		Nine months	
For the periods ended ($000s)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
Royalty production revenue	81,458	52,291	241,605	179,342
Processing revenue	21,051	21,221	62,830	60,977
Total revenue	**102,509**	**73,512**	**304,435**	**240,319**

13. FINANCE EXPENSE

	Three months		Nine months	
For the periods ended ($000s)	**Sep. 30, 2026**	**Sep. 30, 2025**	**Sep. 30, 2026**	**Sep. 30, 2025**
Accretion expense	58	50	165	145
Amortization of debt transaction costs	190	154	513	423
Interest expense	5,791	6,620	17,344	19,741
Total finance expense	**6,039**	**6,824**	**18,022**	**20,309**

14. RELATED PARTY TRANSACTIONS

The Company has entered into a number of agreements relating to both royalty and infrastructure assets with Tourmaline Oil Corp. ('Tourmaline') who had a 12.85% ownership interest in the common shares of the Company as at September 30, 2026. Subsequent to September 30, 2026, Tourmaline sold 11,500,000 shares of Topaz, reducing their ownership interest to 5.4%.

As at September 30, 2026, $24.3 million (December 31, 2025 - $30.7 million) of the accounts receivable balance was due from Tourmaline, all of which will be collected in the normal course of business. There were no bad debts outstanding relating to Tourmaline as at September 30, 2026 or December 31, 2025. During the three and nine months ended September 30, 2026, 30% and 34%, respectively, of royalty production revenue and 47% and 47%, respectively, of processing revenue was generated from Tourmaline (three and nine months ended September 30, 2025 - 32% and 39% of royalty production revenue and 47% and 48% of processing revenue, respectively, was generated from Tourmaline).

The Company pays a marketing fee to Tourmaline for the Company's royalty production that is marketed with Tourmaline's production. During the three and nine months ended September 30, 2026, the Company paid $0.2 million and $0.8 million, respectively, (three and nine months ended September 30, 2025 - $0.2 million and $0.7 million, respectively), in respect of marketing fees, which was incurred in the normal course of operations. During the three and nine months ended September 30, 2026, the Company paid $0.06 million and $0.2 million, respectively (three and nine months ended September 30, 2025 - $0.06 million and $0.2 million, respectively) in rent expense to Tourmaline, which was incurred in the normal course of operations.

15. SEGMENT INFORMATION

The Company's reconciliation of cash flow, net income and total assets between operating segments as at and for the three and nine months ended September 30, 2026, is as follows:

Three months ended Sep. 30, 2026 ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	81,458	—	**81,458**
Processing revenue	—	21,051	**21,051**
Other income	—	1,825	**1,825**
Total	**81,458**	**22,876**	**104,334**
Cash expenses			
Operating	—	(866)	**(866)**
Marketing	(393)	—	**(393)**
General and administrative	(1,529)	(407)	**(1,936)**
Realized gain on financial instruments	1,170	—	**1,170**
Interest expense	(4,575)	(1,216)	**(5,791)**
Current income tax expense	(7,523)	(2,000)	**(9,523)**
Cash flow	**68,608**	**18,387**	**86,995**
Depletion and depreciation	(29,271)	(4,708)	**(33,979)**
Accretion expense	—	(58)	**(58)**
Amortization of debt transaction costs	(150)	(40)	**(190)**
Unrealized loss on financial instruments	(18,314)	—	**(18,314)**
Share-based compensation	(1,202)	(319)	**(1,521)**
Deferred income tax expense	(720)	(192)	**(912)**
Net income	**18,951**	**13,070**	**32,021**

Nine months ended Sep. 30, 2026 ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	241,605	—	**241,605**
Processing revenue	—	62,830	**62,830**
Other income	—	5,686	**5,686**
Total	**241,605**	**68,516**	**310,121**
Cash expenses			
Operating	—	(4,498)	**(4,498)**
Marketing	(1,397)	—	**(1,397)**
General and administrative	(4,751)	(1,263)	**(6,014)**
Realized loss on financial instruments	(3,138)	—	**(3,138)**
Interest expense	(13,702)	(3,642)	**(17,344)**
Current income tax expense	(17,545)	(4,664)	**(22,209)**
Cash flow	**201,072**	**54,449**	**255,521**
Depletion and depreciation	(87,207)	(14,659)	**(101,866)**
Accretion expense	—	(165)	**(165)**
Amortization of debt transaction costs	(405)	(108)	**(513)**
Unrealized loss on financial instruments	(15,742)	—	**(15,742)**
Share-based compensation	(2,437)	(648)	**(3,085)**
Deferred income tax expense	(12,330)	(3,277)	**(15,607)**
Net income	**82,951**	**35,592**	**118,543**

As at Sep. 30, 2026 ($'000s)	Royalties	Infrastructure	Total
Total Assets	1,719,185	456,999	**2,176,184**

The Company's reconciliation of cash flow, net income and total assets between operating segments as at December 31, 2025 and for the three and nine months ended September 30, 2025, is as follows:

Three months ended September 30, 2025[(1)] ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	52,291	—	**52,291**
Processing revenue	—	21,221	**21,221**
Other income	—	2,931	**2,931**
Total	**52,291**	**24,152**	**76,443**
Cash expenses			
Operating	—	(1,545)	**(1,545)**
Marketing	(307)	—	**(307)**
General and administrative	(1,398)	(466)	**(1,864)**
Realized gain on financial instruments	8,737	—	**8,737**
Interest expense	(4,965)	(1,655)	**(6,620)**
Cash Flow	**54,358**	**20,486**	**74,844**
Depletion and depreciation	(30,290)	(4,261)	**(34,551)**
Accretion expense	—	(50)	**(50)**
Amortization of debt transaction costs	(115)	(39)	**(154)**
Unrealized loss on financial instruments	(4,764)	—	**(4,764)**
Share-based compensation	(1,013)	(337)	**(1,350)**
Deferred income tax expense	(6,302)	(2,100)	**(8,402)**
Net income	**11,874**	**13,699**	**25,573**

[(1)] Prior period figures are adjusted, refer to *note 2.*

Nine months ended September 30, 2025[1] ($'000s)	Royalties	Infrastructure	Total
Royalty production revenue	179,342	—	**179,342**
Processing revenue	—	60,977	**60,977**
Other income	—	9,467	**9,467**
Total	**179,342**	**70,444**	**249,786**
Cash expenses			
Operating	—	(5,503)	**(5,503)**
Marketing	(1,122)	—	**(1,122)**
General and administrative	(4,452)	(1,484)	**(5,936)**
Realized gain on financial instruments	14,724	—	**14,724**
Interest expense	(14,806)	(4,935)	**(19,741)**
Cash Flow	**173,686**	**58,522**	**232,208**
Depletion and depreciation	(92,922)	(9,866)	**(102,788)**
Accretion expense	—	(145)	**(145)**
Amortization of debt transaction costs	(317)	(106)	**(423)**
Unrealized gain on financial instruments	1,724	—	**1,724**
Share-based compensation	(2,230)	(743)	**(2,973)**
Deferred income tax expense	(23,667)	(7,889)	**(31,556)**
Net income	**56,274**	**39,773**	**96,047**

[1] Prior period figures are adjusted, refer to *note 2.*

As at Dec. 31, 2025 ($'000s)	Royalties	Infrastructure	Total
Total Assets	1,755,155	466,560	**2,221,715**