

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

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No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This Offering (as defined below) may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.



TUKTU RESOURCES LTD.

("Tuktu" or the "Company" or the "issuer")

October 18, 2023

SUMMARY OF OFFERING

What are we offering?

Offering:	16,666,667 units of the Company (each, a " Unit ") for aggregate gross proceeds of \$1,000,000 (the " Offering "). Each Unit will consist of one (1) common share in the capital of the Company (a " Common Share ") and one (1) Common Share purchase warrant of the Company (a " Warrant "). Each Warrant will entitle the holder thereof to purchase one (1) Common Share at an exercise price of \$0.0975 for a period of 36 months from the date of issuance thereof, subject to adjustment in certain events.
Offering Price:	\$0.06 per Unit (the " Offering Price ").
Offering Amount:	A minimum and maximum of 16,666,667 Units, for aggregate gross proceeds of \$1,000,000.
Closing Date:	It is expected that the closing of the Offering (the " Closing ") will occur on or about November 30, 2023, or on such other date as may be mutually determined by the Company and the Agent (as defined herein), acting reasonably, and, in any event, on

	or before a date not later than 45 days after the news release of the Company dated October 18, 2023 announcing, <i>inter alia</i> , the Offering (the " Closing Date ").
Exchange:	The Common Shares are listed on the TSX Venture Exchange (the " TSXV ") under the trading symbol "TUK.V".
Last Closing Price:	On October 17, 2023, the last trading day prior to the date of this offering document, the closing price of the Common Shares on the TSXV was \$0.065.
Agent:	Research Capital Corporation (the " Agent ").

Tuktu is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 – *Prospectus Exemptions* ("NI 45-106") (the "Listed Issuer Finance Exemption"). In connection with this Offering, the issuer represents the following is true:

- The issuer has active operations and its principal asset is not cash, cash equivalents or its exchange listing.
- The issuer has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the Listed Issuer Financing Exemption in the 12 months immediately before the date of this offering document, will not exceed \$5,000,000.
- The issuer will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.
- The issuer will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.

ADVISORIES

Cautionary Note on Forward-Looking Information

Certain information contained in this offering document may constitute forward-looking statements and information (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements may be identified by words like "anticipates", "estimates", "expects", "indicates", "intends", "may", "could", "should", "would", "plans", "target", "scheduled", "projects", "outlook", "proposed", "potential", "will", "seek" and similar expressions. Forward-looking statements in this offering document include statements regarding, among other things: the anticipated timing of the closing of the Offering; that the Company will complete the Acquisition (as defined herein) on the terms and timing thereof; the anticipated timing of the Escrow Closing (as defined herein); the anticipated proceeds of the Offering and Concurrent Placement (as defined herein); the Company's intention to exploit the reservoirs and the Company's long term business strategy with respect to the Assets; expectations regarding applicable regulatory approvals, including those of the TSXV and the Alberta Energy Regulator (the "AER"); the Company's anticipated use of the proceeds of the Offering and the Concurrent Placement; the estimated adjustments to the Purchase Price (as defined herein); that Tuktu will receive full and clear title to the Assets; the anticipated annual decline of the Assets; financial and operating forecasts with respect to the Assets; that the Company will be able to implement a well workover/recompletion program and the anticipated production growth resulting therefrom; the anticipated savings in completion costs and corresponding increase of return on capital; the Company's expectations regarding a binding commitment letter to provide for the Facility (as defined herein) and the amount thereof; the anticipated use of funds drawn under the Facility; the estimated fees payable to the Agent in connection with the Offering and the Concurrent Placement; the estimated expenses of the Agent in connection with the Offering and Concurrent Placement; the estimated available funds following completion of the Offering and the Concurrent Placement; estimated acquisition metrics including estimated production; projections with respect to operating expenditures and capital expenditures; the expectation that the Company will have sufficient working capital to sustain its operations and will have a positive cash flow from operations following the completion of the Offering; the expectation that the Company will be able to remove its going concern note from its financial statements for the year ended December 31, 2024; and other similar statements. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. There are numerous uncertainties inherent in estimating quantities of oil reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this offering document are estimates only. In general, estimates of economically recoverable oil reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For these reasons, estimates of the economically recoverable oil reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Tuktu's and the Assets' actual production, revenues, taxes and development and operating expenditures with respect to their respective reserves will vary from estimates thereof and such variations could be material.

With respect to forward-looking statements contained in this offering document, the Company has made assumptions regarding, among other things: that the Company will be able to successfully complete the Offering, Acquisition and Concurrent Placement on substantially the terms contemplated; future pricing; commodity prices; future exchange and interest rates; supply of and demand for commodities; that the Company will be able to exploit the Mississippian aged reservoirs in the land base; that the Company will be able to successfully implement a well workover/recompletion program to increase production; inflation; the availability of capital on satisfactory terms; the availability and price of labour and materials; the impact of increasing competition; conditions in general economic and financial markets; access to capital; the receipt and timing of regulatory, TSXV, AER and other required approvals; the ability of the Company to implement its business strategies and

complete future acquisitions; the Company's long term business strategy; operating costs and capital expenditures; and effects of regulation by governmental agencies.

Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of the Company's businesses include, among other things: risks and assumptions associated with operations, such as the Company's ability to successfully implement its strategic initiatives and achieve expected benefits; assumptions regarding the Assets and the value of the Acquisition; risks regarding the Company's ability to complete the Acquisition, Offering and Concurrent Placement on substantially the terms contemplated; assumptions concerning operational reliability; risks inherent in the Company's future operations; the Company's ability to generate sufficient cash flow from operations to meet its future obligations; risks with respect to the implementation of the Facility and, if necessary, the Company's ability to access alternative financing arrangements in a timely manner or on terms and conditions acceptable to the Company; the Company's ability to exploit the Mississippian aged reservoirs in the land base; the Company's ability to implement a well workover/recompletion program to increase production; risks regarding the Company's ability to reduce operating costs and increase production; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of future acquisitions, if any; the availability and price of labour, equipment and materials; competitive factors, including competition from third parties in the areas in which the Company intends to operate, pricing pressures and supply and demand in the oil and gas industry; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics (including COVID-19), instability and political and economic conditions in or affecting countries in which the Company intends to operate (including the ongoing Israeli-Hamas and Russian-Ukrainian conflicts); severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to the management team's future business; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals and the maintenance of such approvals; general economic and business conditions and markets; and such other similar risks and uncertainties. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and the Company's future course of action depends on the assessment of all information available at the relevant time.

Additional information on these and other risks, uncertainties and factors is included under the heading "Risk Factors" in this offering document. The foregoing list of risks, uncertainties and factors and those included under the heading "Risk Factors" in this offering document are not exhaustive. The effect of any one risk, uncertainty or factor on particular forward-looking information is uncertain because these factors are independent and management's future course of action would depend on its assessment of all information at that time. Although the Company believes that the expectations in the forward-looking information are reasonable based on information available to it on the date of preparation, it can give no assurances as to future results, levels of activity or achievements. The forward-looking statements contained in this offering document are made as of the date hereof and the Company does not undertake any obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Forward-Looking Financial Information

This offering document contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the prospective operational and financial results of the Assets, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The FOFI contained in this offering document was made as of the date of this offering document and was provided for the purpose of providing further information about the Company's future business operations, the Company disclaims any intention or obligation to update or revise any FOFI contained in this offering document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable securities laws. Readers are cautioned that the FOFI contained in this offering document should not be used for purposes other than for which it is disclosed herein.

Oil and Gas Advisories

This offering document contains estimates of the net present value ("**NPV**") of the Company's future net revenue from reserves associated with the Assets. Such amounts do not represent the fair market value of such reserves. The recovery and reserves estimates provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. The NPV

of the Assets' base production is a snapshot in time and is based on the reserves evaluated using Pricing Assumptions set forth below. The Assets' NPV is calculated using a discount rate of 10%, on a before-tax basis and is the sum of the present value of either proved developed producing or proved plus probable developed producing reserves based on the Pricing Assumptions. It should not be assumed that the undiscounted or discounted NPV of future net revenue attributable to the Assets represents the fair market value of those Assets. The estimates for reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties due to the effects of aggregation. The recovery and reserve estimates of oil reserves are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates relied upon for NPV calculations, herein.

Pricing Assumptions

	Edmonton Light \$CAD/bbl
2023	\$103.77
2024	\$97.74
2025	\$95.27
2026	\$95.58
2027	\$97.07
2028	\$99.01
2029	\$100.99
2030	\$103.01
2031	\$105.07
2032	\$106.69
2033	\$108.83
2034	\$111.00
2035	\$113.22
2036	\$115.49
2037	\$117.80

escalating at 2%

Abbreviations

bbl	barrels of oil
bbls/d	barrels of oil per day
Mbbl	thousand barrels of oil
NPV10%	net present value, discounted at 10%

Currency

All references in this offering document to "dollars" or "\$" are to Canadian dollars, unless otherwise stated.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Tuktu is an oil and gas exploration, development and production company with operations focused in southern Alberta.

Recent developments

The Acquisition

On October 17, 2023, the Company and an arm's length company (the "**Vendor**") entered into a purchase and sale agreement (the "**PSA**") with respect to certain oil assets located in southern Alberta (the "**Assets**") (the "**Acquisition**"). Pursuant to the PSA, the Company has agreed to purchase the Assets from the Vendor for aggregate consideration of \$3.0 million (the "**Purchase Price**") (subject to customary adjustments) effective as of May 1, 2023. The Assets consist of various petroleum and natural gas rights, properties, wells, facilities, other tangibles and seismic data and the miscellaneous interests related thereto, located on certain lands and leases, as further described in the PSA. Concurrent with the execution of the PSA, the Company paid a \$150,000 deposit which will be credited towards the Purchase Price (the "**Deposit**").

The Assets consist of late-life, Mississippian age light oil assets with current production of approximately 165 bbls/d¹ (100% light oil) and an estimated annual decline rate of 16%. The Assets also include approximately 29,685 gross (29,396 net) hectares of land. The Assets have a before-tax proved developed producing NPV10% and before-tax total proved plus probable NPV10% value of approximately \$5.5 million and \$19.6 million, respectively.

The Company is purchasing the Assets for their strategic value and intends to exploit Mississippian aged reservoirs in the land base. The Acquisition is aligned with the Company's long-term business strategy and establishes an additional position in southern Alberta, which augments the Company's current light oil and natural gas assets in southern Alberta. The Company intends to grow production from the Assets through a well workover/recompletion program and then to pursue fracture fairways through unstimulated horizontal drilling technologies, which is the hallmark of Foothills development drilling. By utilizing the natural fracture system in place, the Company expects that substantial savings can be realized on completion costs providing a greatly improved return on capital.

The Acquisition is not a significant acquisition for the Company under Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**").

¹ Current production means average production from May to July 2023, based on the Vendor's lease operating statements.

Reserves Attributed to the Assets

The reserves data for the Assets set forth below is based upon an independent report prepared by GLJ Ltd. ("GLJ") dated effective December 31, 2022 with a preparation date of September 1, 2023, evaluating the oil reserves attributable to the Assets, which is based on the average price and market forecasts of three independent reserves evaluators (GLJ, McDaniel & Associates Consultants Ltd. and Sproule Associates Ltd.) as of January 1, 2023 (the "**Acquisition Reserves Report**"). The reserves data summarizes the tight oil reserves and the net present value of future net revenue for those reserves using forecast prices and costs, not including the impact of any price risk management activities. The Acquisition Reserves Report was prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserve definitions contained in National Instrument 51-101 – *Standards for Oil and Gas Activities*.

The Acquisition Reserves Report is based on certain factual data supplied to Tuktu by the Vendor and the opinion of GLJ of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Assets (except for certain information residing in the public domain) were supplied by the Vendor to GLJ. GLJ accepted this data as presented and did not conduct title searches or field inspections. The Acquisition Reserves Report was prepared by GLJ for the Vendor. As a result, the Vendor participated in the preparation of the Acquisition Reserves Report and reviewed the reserves data with GLJ in conjunction with the preparation thereof. The tables below provide a summary of the tight oil reserves attributable to the Assets and the net present value of future net revenue attributable to such reserves as evaluated in the Acquisition Reserves Report, based on forecast price and cost assumptions. The tables summarize the data contained in the Acquisition Reserves Report and, as a result, may contain slightly different numbers than such report due to rounding. Due to rounding, certain columns may not add exactly. The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, operating costs, development costs and well abandonment and reclamation costs. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to reserves estimated by GLJ represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

All of the reserves associated with the Assets are located in the Province of Alberta. The only "product type" (as such term is defined in CSA Staff Notice 51-324 – *Glossary to NI 51-101*) attributed to the Assets is tight oil.

SUMMARY OF OIL RESERVES		
As at December 31, 2022		
FORECAST PRICES AND COSTS		
<u>RESERVES CATEGORY</u>	Tight Oil	
	Gross WI (Mbbl)	Net (Mbbl)
PROVED		
Developed Producing	307.8	260.2
Developed Non-Producing	7.4	6.6
Undeveloped	-	-
TOTAL PROVED	315.2	266.8
PROBABLE	1,764.3	1,461.0
TOTAL PROVED PLUS PROBABLE	2,079.5	1,727.8

	NET PRESENT VALUE OF FUTURE NET REVENUE BEFORE INCOME TAXES DISCOUNTED (%/year) ⁽¹⁾⁽²⁾ FORECAST PRICES AND COSTS					
	0%	5%	10%	12%	15%	20%
	(\$MM)	(\$MM)	(\$MM)	(\$MM)	(\$MM)	(\$MM)
RESERVES CATEGORY						
PROVED						
Developed Producing	\$4.7	\$5.5	\$5.5	\$5.4	\$5.3	\$5.0
Developed Non-Producing	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Undeveloped	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL PROVED	\$4.7	\$5.5	\$5.6	\$5.5	\$5.4	\$5.1
PROBABLE	\$25.8	\$19.0	\$14.1	\$12.5	\$10.5	\$7.9
TOTAL PROVED PLUS PROBABLE	\$30.5	\$24.6	\$19.6	\$18.0	\$15.8	\$12.9

Notes:

- (1) Future net revenue estimates were calculated using the pricing assumptions set forth below.
(2) Estimates of future net revenue presented do not represent the fair market value of the reserves.

The Acquisition is expected to close in escrow on or about December 1, 2023 (the "**Escrow Closing**"). The Escrow Closing is subject to and conditional upon, among other things: (i) Tuktu obtaining sufficient funds to satisfy the Interim Purchase Price (as defined below); and (ii) other customary conditions and approvals, including the approval of the TSXV.

On Escrow Closing, the Company anticipates that the Purchase Price, after interim adjustments and after deducting the Deposit, will be approximately \$1.35 million (the "**Interim Purchase Price**"). The Interim Purchase Price will be held in escrow following the Escrow Closing and will be releasable to the Vendor upon receipt of AER approval for the licence transfers related to the Assets, at which time the Acquisition will be completed and Tuktu will obtain full and clear title to the Assets (the "**Acquisition Closing**"). The Company anticipates that the Acquisition Closing may occur on or about 60 business days following the Escrow Closing.

In the event that the Acquisition Closing does not occur, the Interim Purchase Price will be returned to Tuktu, however there may be circumstances in which the Company may be required to forfeit the Deposit. See "*Risk Factors – Possible Failure to Complete the Acquisition*".

The Offering

On the date hereof, the Company announced its intention to conduct the Offering of 16,666,667 Units for aggregate gross proceeds of \$1,000,000 using the Listed Issuer Financing Exemption.

The net proceeds of the Offering, along with the net proceeds from the Concurrent Placement, are expected to be used to fund the Interim Purchase Price and, to the extent there are remaining net proceeds after the payment of the Interim Purchase Price, the Company may use such proceeds to fund development projects on its existing properties and the Assets and may reallocate certain funds, from time to time, to working capital purposes (which may include legal fees, customary AER deposit fees and other fees and expenses related to the Acquisition), as the Company deems necessary or appropriate. In the event that Escrow Closing or Acquisition Closing does not occur, the Company will use the net proceeds from the Offering and the Concurrent Placement to fund development projects on its existing properties, for working capital purposes and to finance any future property acquisitions.

The minimum and maximum amounts to be raised pursuant to the Offering are each \$1,000,000. In the event the Company does not raise the minimum gross proceeds of \$1,000,000 pursuant to the Offering, the Offering will not be completed and

no securities will be issued under the Listed Issuer Financing Exemption. Completion of the Offering is not conditional upon the completion of the Concurrent Placement or the completion of the Acquisition.

The Concurrent Placement

Concurrent with the Offering, the Company is conducting a brokered private placement of up to 25,000,000 Units at a price of \$0.06 per Unit for aggregate gross proceeds of up to \$1,500,000 (the "**Concurrent Placement**"). The Company has granted the Agent an option (the "**Agent's Option**") to offer for sale up to an additional 15% of the number of Units sold in the Concurrent Placement, which Agent's Option is exercisable, in whole or in part, at any time up to 48 hours prior to Closing. The Units issued pursuant to the Concurrent Placement will consist of one Common Share and one Warrant, which Warrants will be issued on the same terms and conditions as those issued under the Offering.

The Units issued pursuant to the Concurrent Placement are being issued pursuant to applicable prospectus exemptions, other than the Listed Issuer Financing Exemption, in accordance with NI 45-106. As such, the underlying Common Shares and Warrants will be subject to the standard statutory four-month plus one day hold period. The Concurrent Placement may be completed in one or more closings prior to the Escrow Closing.

The anticipated use of proceeds from the Concurrent Placement is described further above under "*Summary Description of our Business – Recent Developments – The Offering*".

Completion of the Concurrent Placement is not conditional upon the completion of the Offering or the completion of the Acquisition.

The Facility

Concurrent with the execution of the PSA, the Company entered into a non-binding term sheet (the "**Term Sheet**") with a third-party lender (the "**Lender**") for a credit facility up to USD\$1,500,000. The Company expects to enter into a binding commitment with such Lender prior to or concurrent with the Acquisition Closing to provide a credit facility (the "**Facility**") to Tuktū. If established, the funds available under the Facility may be drawn for development capital expenditures and AER deposit fees.

The Term Sheet was provided to Tuktū for discussion purposes only and does not contain all of the terms, conditions, representations, warranties, and other provisions with respect to the Facility. The Term Sheet does not constitute a commitment or offer to provide financing by the Lender. No commitment or agreement exists or arises prior to the execution of a binding commitment letter. The indicative terms and conditions outlined in the Term Sheet are subject to the Lender's review and approval process and are subject to change based on due diligence review and further analysis. See "*Risk Factors – Access to Capital and Available Funds*".

Material facts

There are no material facts with respect to the Common Shares and Warrants and/or the Common Shares underlying the Warrants being distributed that have not been disclosed in this offering document or in any other document filed by Tuktū in the 12 months preceding the date of this offering document, and the date that the Company's most recent audited annual financial statements were filed.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use the net proceeds from the Offering and the Concurrent Placement to fund the Interim Purchase Price and, to the extent there are remaining net proceeds after the payment of the Interim Purchase Price, the Company may use such proceeds to fund development projects on its existing properties and the Assets and may reallocate certain funds, from time to time, to working capital purposes (which may include legal fees, customary AER deposit fees and other fees and expenses related to the Acquisition), as the Company deems necessary or appropriate. In the event that Escrow Closing or Acquisition Closing does not occur, the Company will use the net proceeds from the Offering and the Concurrent Placement to

fund development projects on its existing properties, for working capital purposes and to finance any future property acquisitions.

The completion of the Acquisition will achieve the Company's business objectives of establishing an additional position in southern Alberta and generating additional net operating income. The Company anticipates that Escrow Closing will occur on or about December 1, 2023 with Acquisition Closing to occur on or about 60 business days following such date. The Escrow Closing and the Acquisition Closing are each subject to certain conditions in favour of Tuktū and the Vendor, respectively, some of which are further described above under "*Summary of the Business – Recent Developments – The Acquisition*".

Further, any net proceeds from the Offering and the Concurrent Placement which are not used towards the Interim Purchase Price may be used to fund the development of the Company's existing properties and the Assets which will support the Company's objective of generating additional net operating income. See "*Recent Developments – The Acquisition*", "*Recent Developments – The Offering*" and "*Recent Developments – The Concurrent Placement*" above.

While the Company intends to use the net proceeds as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in the Company's best interests. Notwithstanding the foregoing, the Company shall not use the proceeds from the Offering for: (i) an acquisition that is a significant acquisition under Part 8 of NI 51-102; (ii) a restructuring transaction; or (iii) any other transaction for which the Company seeks approval of any security holder.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

Based on the Company's existing estimated working capital as at October 1, 2023 of \$170,000, and subject to the assumptions set forth in the table below, the Company is expected to have approximately \$2,250,000 in available funds upon completion of the Offering and the Concurrent Placement, as detailed further below.

		Assuming 100% of Offering ⁽¹⁾
A	Amount to be raised by this Offering	\$1,000,000
B	Selling commissions and fees ⁽²⁾⁽³⁾	\$140,000
C	Estimated Offering costs ⁽⁴⁾ (e.g., legal, accounting, audit)	\$160,000
D	Net proceeds of Offering: D = A - (B+C)	\$700,000
E	Working capital as at most recent month end (deficiency) ⁽⁵⁾	\$170,000
F	Additional sources of funding ⁽⁶⁾	\$1,380,000
G	Total available funds⁽⁷⁾: G = D+E+F	\$2,250,000

Notes:

- (1) The minimum and maximum amounts to be raised pursuant to the Offering are each \$1,000,000. In the event the Company does not raise the minimum gross proceeds of \$1,000,000 pursuant to the Offering, the Offering will not be completed and no securities will be issued under the Listed Issuer Financing Exemption.

- (2) Assumes there are no President's List Purchasers and comprises: (i) a cash commission of \$80,000 (being 8.0% of the gross proceeds of the Offering); and (ii) a corporate finance fee of \$60,000, payable to the Agent. Does not include the Broker Warrants (as defined below) to be issued to the Agent on completion of the Offering and Concurrent Placement. See "*Fees and Commissions – Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?*".
- (3) Does not include the Agent's expenses in connection with the Offering. See "*Fees and Commissions – Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?*".
- (4) Includes the Company's estimated legal fees in respect of the Offering and Concurrent Private Placement and the Agent's legal fees but does not include the Company's legal fees in connection with the Acquisition.
- (5) The Deposit was not paid at the most recent month end and was paid upon signing of the PSA on October 17, 2023.
- (6) Includes and assumes completion of the Concurrent Placement (not assuming the exercise of the Agent's Option) for aggregate gross proceeds of \$1,500,000, less the cash commission payable to the Agent of \$120,000 (assuming no President's List Purchasers) for aggregate net proceeds of \$1,380,000. See "*Summary Description of Business – Recent Developments – Concurrent Placement*".
- (7) Does not take into account the Agent's expenses in connection with the Offering or Concurrent Private Placement. See "*Fees and Commissions – Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?*".

How will we use the available funds?

Tuktu expects to use the available funds as follows:

Description of intended use of available funds listed in order of priority	Assuming 100% of Offering ⁽¹⁾⁽²⁾
Payment of the Deposit	\$150,000
Interim Purchase Price ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	\$1,350,000
2023 and 2024 Capital Expenditure Program ⁽⁷⁾⁽⁸⁾⁽⁹⁾	\$750,000
Total⁽⁸⁾: (Equal to G in the available funds in item 8)	\$2,250,000

Notes:

- (1) The minimum and maximum amounts to be raised pursuant to the Offering are each \$1,000,000. In the event the Company does not raise the minimum gross proceeds of \$1,000,000 pursuant to the Offering, the Offering will not be completed and no securities will be issued under the Listed Issuer Financing Exemption.
- (2) Assumes the maximum amount of proceeds is raised under the Concurrent Placement (but does not assume the exercise of the Agent's Option or that there are any President's List Purchasers). See "*What will our available funds be upon the closing of the Offering?*".
- (3) The Interim Purchase Price payable on Escrow Closing is the Purchase Price of \$3.0 million less the amount of the Deposit of \$150,000 and less estimated interim adjustments of \$1,500,000, based on nine months of adjustments. See "*Summary Description of Business – Recent Developments – The Acquisition*" and "*Summary Description of Business – What are the business objectives that we expect to accomplish using the available funds?*".
- (4) Assumes that all conditions precedent to Escrow Closing are satisfied.
- (5) The components of the Purchase Price (prior to any adjustments) are allocated as follows: (i) \$2,400,000 to petroleum and natural gas rights; (ii) \$599,990 to tangibles; and (iii) \$10 to miscellaneous interests and seismic rights.
- (6) Assuming pricing of Edmonton Light of \$103.77/bbl, the Company expects final adjustments to the Purchase Price to be in favour of Tuktu and as such, no proceeds of the Offering or the Concurrent Placement have been allocated to the payment of the interim or final adjustments to the Purchase Price.
- (7) The Company intends to use any net proceeds not otherwise allocated towards the Interim Purchase Price towards development projects on its existing properties and the Assets which may include recompletions and production optimization projects targeted at increasing production.
- (8) The Company may reallocate certain net proceeds for general working capital purposes which may include legal fees, customary AER deposit fees and other fees and expenses related to the Acquisition.
- (9) Assumes that the Acquisition is completed. If the Acquisition is not completed, the available funds shall be re-allocated by the Company to fund development projects on its existing properties, for working capital purposes and to finance any future property acquisitions.

Upon completion of the Offering, the Company will have sufficient working capital to sustain its operations and is forecasting positive cash flow from operations. The Company anticipates that with such positive cash flow from operations it should be able to remove the going concern note from its financial statements for the year ended December 31, 2024.

How have we used the other funds we have raised in the past 12 months?

The Company has not undertaken any equity financing within the 12 months preceding the date of this offering document.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Company has entered into an agreement (the "**Letter Agreement**") with Research Capital Corporation (the "**Agent**") with respect to the sale of the Units pursuant to the Offering and the Concurrent Placement. The Letter Agreement provides that on the Closing Date, the Company will pay the Agent a cash commission equal to 8.0% of the gross proceeds of the Offering or \$0.0048 per Unit, other than in respect of proceeds from the sale of Units to certain "president's list" purchasers identified by the Company (the "**President's List Purchasers**"), for which a 4.0% cash commission will be payable (the "**Cash Commission**"). In addition, the Agent will receive such number of broker warrants (the "**Broker Warrants**") as is equal to 8.0% of the number of Units sold under the Offering, other than in respect of the Units sold to the President's List Purchasers, for which the Agent shall receive Broker Warrants equal to 4.0% of the number of such Units. Each Broker Warrant shall entitle the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 36 months following the Closing.

In addition, pursuant to the Letter Agreement, at Closing, the Company shall also pay the Agent a corporate finance fee equal to \$60,000 (plus applicable taxes) and all of the expenses related to the Offering, including but not limited to: (i) the fees and disbursements of Agent's legal counsel (up to a maximum of \$65,000, exclusive of taxes and disbursements); and (ii) the Agent's expenses related to marketing road shows, printing costs and such other expenses as are necessary and reasonable in connected with the Offering and Concurrent Private Placement (up to a maximum of \$5,000).

Does the Agent have a conflict of interest?

The Company is not a "connected issuer" or "related issuer", in each case within the meaning under National Instrument 33-105 – *Underwriting Conflicts*, of the Agent.

RISK FACTORS

An investment in the Common Shares and Warrants involves a number of risks including those risks inherent in the oil and gas industry in which the Company operates. Before investing, prospective purchasers of Common Shares and Warrants should carefully consider, in light of their own financial circumstances, the factors set out below, as well as other information and risk factors contained in the Company's continuous disclosure documents which are available on its profile on SEDAR+ at www.sedarplus.com.

Possible Failure to Complete the Acquisition

The Company currently expects that the Escrow Closing will occur on or about December 1, 2023 and Acquisition Closing will occur subsequently. Escrow Closing and Acquisition Closing are subject to a number of closing conditions including: (i) Tuktu obtaining sufficient funds to satisfy the Interim Purchase Price; (ii) receipt of AER approval for the licence transfers related to the Assets; and (iii) other customary conditions and approvals, including the approval of the TSXV. The Acquisition may not close for a variety of reasons, including if the conditions to Escrow Closing and/or Acquisition Closing are not satisfied or waived, some of which are not within the control of the Company. In addition, even if the Acquisition Closing occurs, the Acquisition may not close on the terms or the timing currently expected. If the Acquisition does not close or is completed but the terms or timing are different than expected, it could have an adverse effect on the Company's future plans and the Company would not realize its expected benefits from the Acquisition, including those set forth in this offering document.

Use of Available Funds

The Company currently intends to use the net proceeds of the Offering as stated under "*Use of Available Funds – How will we use the available funds?*", however, management will have discretion in the actual application of the proceeds, and may elect

to allocate proceeds differently from that described in "*Use of Available Funds – How will we use the available funds?*" if it is believed it would be in the best interests of the Company to do so as circumstances change. Although the allocation is based on the current expectations of the Company's management, there can be no assurance as of the date of this offering document as to how those funds may be allocated in actuality. The failure by management to apply these funds effectively could have a material adverse effect on the business of Tuktū.

Failure to Realize Anticipated Benefits of the Acquisition

The Company is proposing to complete the Acquisition and acquire the Assets for their strategic value and intends to exploit Mississippian aged reservoirs in the land base. The Acquisition is aligned with the Company's long-term business strategy and establishes an additional position in southern Alberta, which augments the Company's current light oil and natural gas assets in the southern Alberta. Achieving the benefits of the Acquisition depends in part on the Company's ability to realize the anticipated growth opportunities of the property. The integration of the Assets requires the dedication of management's effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process or the efficiency of the Company to grow production of the Assets may affect the Company's ability to achieve the anticipated benefits of the Acquisition in a timely manner or at all. See "*Summary Description of Business – Recent Developments – The Acquisition*" and "*Summary Description of Business – Recent Developments – What are the business objectives that we expect to accomplish using the available funds?*".

Reserve Estimates

Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by GLJ in evaluating Asset's reserves will be attained and variances could be material.

All evaluations and summaries of future net revenue are stated prior to the provision for interest, debt service charges or general and administrative expenses and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future capital expenditures. It should not be assumed that the estimates of future net revenues presented in the tables herein represent the fair market value of the reserves. The recovery and reserve estimates of Asset's oil reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual oil reserves may be greater than or less than the estimates provided herein. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth herein are estimates only.

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is possible that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Proved developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty. Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved or probable) to which they are assigned.

There are a number of factors that could result in delayed or cancelled development of reserves, including the following: (i) changing economic conditions (due to pricing, operating and capital expenditure fluctuations); (ii) changing technical conditions (including production anomalies, such as water breakthrough or accelerated depletion); (iii) multi-zone developments (for instance, a prospective formation completion may be delayed until the initial completion is no longer economic); (iv) a larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and (v) surface access issues (including those relating to land owners, weather conditions and regulatory approvals).

The reserves attributed to the Assets can be significantly affected by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes, abandonment and reclamation costs and well performance that are beyond the Company's control.

Potential Undisclosed Liabilities Associated with the Assets

In connection with the Acquisition, there may be liabilities that the Company failed to discover or was unable to quantify in the due diligence that the Company conducted prior to the execution of the PSA. The representations, warranties and indemnities contained in the PSA are limited and the Company's ability to seek remedies for breach of such provisions following completion of the Acquisition will be limited.

Completion of the Offering and Concurrent Placement

Although the Company has entered into the Letter Agreement with the Agent, there is no guarantee that all of the conditions to the completion of the Offering and/or the Concurrent Placement will be satisfied.

Transaction and Related Costs

The Company expects to incur a number of costs associated with completing the Acquisition, the Offering and the Concurrent Placement and integrating the Assets. Additional unanticipated costs may be incurred as a result of the integration of the Assets into the Company's business.

Access to Capital and Available Funds

The ability of the Company to raise funds under the Offering and the Concurrent Placement depends on a number of factors, many of which are out of the Company's control, and there is no guarantee that the Company will have access to funds in the amounts described under the heading "*Use of Available Funds – What will our available funds be upon the closing of the Offering?*".

In addition, the Company expects that the Facility will be established, prior to or concurrent with the Acquisition Closing, on substantially similar terms and conditions to those contained in the Term Sheet. The Term Sheet does not constitute a commitment or offer to provide financing and no binding commitment or agreement will exist or arise prior to the execution of a binding commitment letter. There is no guarantee that such binding commitment letter will be entered into by the Company and the Lender or that the terms and conditions in such binding commitment letter will be substantially similar to those contained in the Term Sheet.

In the event the Company is unable to raise sufficient capital, or the Facility is not established, it may need to seek additional or alternative financing arrangements to pay the Purchase Price with respect to the Acquisition and finance its ongoing operating activities. The ability to obtain such additional or alternative financing will depend upon a number of factors, including prevailing market conditions and the operating performance of the Company. There is no guarantee that any such financing will be available to the Company in a timely manner or at all, or, if available, available on terms and conditions acceptable to the Company. Failure to raise capital when required could have a material adverse effect on the Company's business, financial condition and results of operation.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right:

- (1) to rescind your purchase of these securities with the Company; or**
- (2) to damages against the Company and may, in certain jurisdictions, have a statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (1) or (2) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where can you find more information about us?

The Company's continuous disclosure filings with applicable securities regulatory authorities are available electronically under the Company's SEDAR+ profile at www.sedarplus.com. For further information regarding the Company, visit its website at www.tukturesources.com.

Please refer to *Appendix A – Acknowledgements, Covenants, Representations and Warranties of the Purchaser* and *Appendix B – Indirect Collection of Personal Information* attached hereto.

Purchasers should read this offering document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of the Units.

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Dated: October 18, 2023

This offering document, together with any document filed under Canadian securities legislation on or after April 26, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

TUKTU RESOURCES LTD.

(signed) *"Tim De Freitas"*

Tim De Freitas
President and Chief Executive Officer

(signed) *"Mark Smith"*

Mark Smith
Chief Financial Officer