

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in all of the provinces of Canada, except Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

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

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities to be offered hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, these securities may not be offered, sold or delivered within the United States (as defined herein) or to a U.S. Person (as such term is defined in Regulation S under the 1933 Act) except in accordance with the Underwriting Agreement (as defined herein) and pursuant to an exemption from the registration requirements of the 1933 Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at Suite 500, Penn West Plaza – East Tower, 207 – 9th Avenue S.W., Calgary, Alberta T2P 1K3 (telephone (403) 265-8011) and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

February 22, 2021



\$45,000,000
11,250,000 Subscription Receipts each
representing the right to receive one Common Share
\$4.00 per Subscription Receipt

This short form prospectus qualifies the distribution (the "**Offering**") of 11,250,000 subscription receipts (the "**Subscription Receipts**") of Spartan Delta Corp. ("**Spartan**" or the "**Corporation**") at a price of \$4.00 per Subscription Receipt (the "**Offering Price**"). Each Subscription Receipt will entitle the holder thereof to receive, without payment of additional consideration or any further action on the part of the holder thereof, one common share in the capital of the Corporation (a "**Common Share**") upon satisfaction of the Escrow Release Conditions and release of the Escrowed Funds in connection with the closing of the Inception Acquisition and the Non-Brokered Offering (as such terms are defined herein).

The terms of the Offering, including the Offering Price, were determined by negotiation between the Corporation and National Bank Financial Inc. (the "**Lead Underwriter**"), on its own behalf and on behalf of Eight Capital, Stifel Nicolaus Canada Inc., TD Securities Inc., Scotia Capital Inc. and Peters & Co. Limited (collectively and together with the Lead Underwriter, the "**Underwriters**"). See "Plan of Distribution".

The gross proceeds from the sale of the Subscription Receipts (the "**Escrowed Funds**") will be held by the Escrow Agent (as defined herein), and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments determined in accordance with the terms of the Subscription Receipt Agreement (as defined herein)) pending satisfaction of the Escrow Release Conditions. Upon satisfaction of the Escrow Release Conditions on or before 5:00 p.m. (Calgary time) on May 31, 2021 (the "**Deadline**"), the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the

Underwriting Fee (as defined herein), including the interest earned thereon, if any) will be released to the Corporation upon receipt of a notice by the Escrow Agent from the Corporation and acknowledged by the Lead Underwriter that the Escrow Release Conditions have been satisfied, and each holder of Subscription Receipts will receive one Common Share (an "**Underlying Common Share**") for each Subscription Receipt held, without payment of additional consideration or any further action on the part of such holder. See "*Details of the Offering*".

If: (i) the Escrow Release Conditions are not satisfied by the Deadline; (ii) the Inception Acquisition Agreement or the Subscription Agreements (as such terms are defined herein) are terminated in accordance with their terms at any earlier time; or (iii) the Corporation has advised the Lead Underwriter or announces to the public that it does not intend to proceed with the Inception Acquisition or the Non-Brokered Offering (the earliest time of occurrence of any such event being the "**Termination Time**"), holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their pro rata entitlement to interest or other income earned on such amount from the Closing Date (as defined herein) up to and including the Termination Time, if any. See "*Details of the Offering*".

The issued and outstanding Common Shares are listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "**SDE**". On February 12, 2021 and February 19, 2021, the last trading days before the public announcement of the Offering and the date of this short form prospectus, respectively, the closing price of the Common Shares on the TSXV was \$4.20 and \$4.08, respectively. The Corporation has applied to list the Subscription Receipts and the Underlying Common Shares on the TSXV. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV.

	Price to the Public	Underwriting Fee⁽¹⁾	Net Proceeds to the Corporation⁽¹⁾⁽²⁾
Per Subscription Receipt	\$4.00	\$0.16	\$3.84
Total	\$45,000,000	\$1,800,000	\$43,200,000

Notes:

1. The Corporation has agreed to pay the Underwriters a cash commission equal to 4% of the gross proceeds of the Offering (the "**Underwriting Fee**"). The Underwriting Fee is payable as to 50% upon the Closing Date from the Corporation's general funds and 50% along with any accrued interest earned thereon upon the release to the Corporation of the Escrowed Funds. If the Termination Time occurs, then the Underwriting Fee will be limited to the 50% paid upon closing of the Offering. Numbers may not add due to rounding. See "*Details of the Offering*" and "*Plan of Distribution*".
2. Excluding interest accrued, if any, on the Escrowed Funds and before deducting expenses of the Offering estimated to be \$500,000 (exclusive of GST), which will be paid out of the Corporation's general funds.

The Underwriters, as principals, conditionally offer the Subscription Receipts, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to approval of certain legal matters relating to the qualification for distribution of the Subscription Receipts on behalf of the Corporation by Stikeman Elliott LLP, and on behalf of the Underwriters by Burnet, Duckworth & Palmer LLP.

There is currently no market through which the Subscription Receipts may be sold and purchasers may not be able to resell the Subscription Receipts purchased under this short form prospectus. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and availability of trading prices and the liquidity of the Subscription Receipts and the extent of issuer regulation. See "*Risk Factors*".

Subscriptions for the Subscription Receipts issuable hereunder will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. The Subscription Receipts shall be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus. It is expected that Closing (as defined herein) will occur on or about March 8, 2021, or such other date as the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, may agree, but in any event no later than the date that is 42 days after the receipt for the final short form prospectus.

Except in certain limited circumstances: (i) the Subscription Receipts will be registered and represented electronically through the non-certificated inventory system of CDS (as defined herein) in "book-based" form; (ii) no certificates evidencing the Subscription Receipts will be issued to purchasers of Subscription Receipts unless

specifically requested; and (iii) purchasers of Subscription Receipts will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS depository participant ("**CDS Participant**") and from or through whom a beneficial interest in the Subscription Receipt is purchased.

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

The Underwriters propose to offer the Subscription Receipts initially at the Offering Price. After a reasonable effort has been made to sell all of the Subscription Receipts at the Offering Price, the Underwriters may offer the Subscription Receipts at prices lower than the Offering Price. Notwithstanding any reduction by the Underwriters in the Offering Price, any such reduction will not affect the proceeds received by the Corporation. See "*Plan of Distribution*".

An investment in the Subscription Receipts is subject to certain risks inherent in the Corporation's involvement in the exploration for, and the acquisition, development and production of, crude oil and natural gas reserves. The risk factors identified under the headings "*Risk Factors*" and "*Special Note Regarding Forward-Looking Statements*" in this short form prospectus, under the heading "*Risk Factors*" in the AIF (as defined herein), and under the heading "*Risks and Uncertainties*" in the Interim MD&A (as defined herein) and the Annual MD&A (as defined herein), should be carefully reviewed and evaluated by prospective subscribers before purchasing the securities being offered hereunder.

Concurrent with the Offering, the Corporation has agreed to complete the Non-Brokered Offering (as defined herein) with certain subscribers on a non-brokered private placement basis of: (i) 10,000,000 Common Shares at a price of \$4.00 per Common Share for aggregate gross proceeds of \$40,000,000; and (ii) 7,226,626 Flow-Through Shares (as defined herein) at a price of \$4.92 per Flow-Through Share for aggregate gross proceeds of \$35,555,000. The gross proceeds of the Flow-Through Share Non-Brokered Offering (as defined herein) will be used to incur and renounce Canadian development expenses pursuant to the Tax Act (as defined herein) and the net proceeds from the Common Share Non-Brokered Offering (as defined herein) will be used for general working capital purposes. The Non-Brokered Offering is expected to occur concurrently with the completion of the Inception Acquisition. See "*Recent Developments – Non-Brokered Offering*".

National Bank Financial Inc. is a direct or indirect wholly-owned subsidiary of National Bank of Canada and a lender to the Corporation, and to which the Corporation is presently indebted. Further, National Bank Financial Inc. acted as an advisor to the Corporation in connection with the Inception Acquisition and will receive a fee upon the closing of the Inception Acquisition. Consequently, the Corporation may be considered a "connected issuer" of National Bank Financial Inc. within the meaning of applicable Canadian securities legislation. The net proceeds of the Offering will be used to reduce the Corporation's indebtedness under the Credit Facilities (as defined herein), with the balance currently anticipated to be used to fund the Corporation's drilling and capital spending program, for future acquisitions and for general working capital purposes. However, none of the Lenders (as defined herein) have been or will be involved in the Corporation's decisions regarding the use of proceeds of the Offering. See "*Use of Proceeds*" and "*Relationship Between the Corporation and Certain Underwriters*".

The Corporation's head office is located at 500, Penn West Plaza – East Tower, 207 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3, and the registered office is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

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SELECTED DEFINITIONS

In this short form prospectus, the following terms have the meanings set forth below.

"**1933 Act**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder.

"**Acquired Assets**" means, collectively, the Inception Assets, the Simonette Assets and the Willesden Green Assets.

"**Acquisitions**" means, collectively, the Inception Acquisition, the Simonette Acquisition and the Willesden Green Acquisition.

"**AIF**" means the annual information form of the Corporation dated April 7, 2020, for the year ended December 31, 2019.

"**Annual MD&A**" means the management's discussion and analysis of the financial condition and operating results of the Corporation for the year ended December 31, 2019.

"**Bellatrix Acquisition**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**Bellatrix Business Acquisition Report**" has the meaning ascribed thereto under "*Documents Incorporated by Reference*".

"**Board**" means the board of directors of the Corporation as it may be comprised from time to time.

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

"**CDS Participant**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**Closing**" means the closing of the Offering.

"**Closing Date**" means the date of Closing which is expected to be March 8, 2021, or such later date as the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, may agree upon in writing, acting reasonably, but, in any event, such date shall be no later than 42 days after the receipt is issued for the final short form prospectus.

"**Common Share Non-Brokered Offering**" has the meaning ascribed thereto under "*Recent Developments – Non-Brokered Offering*".

"**Common Shares**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**Consolidation**" means the consolidation of the Common Shares, completed on June 1, 2020, on the basis of one post-consolidation Common Share for every 100 pre-consolidation Common Shares.

"**Corporation**" or "**Spartan**" has the meaning ascribed thereto on the cover page of this short form prospectus.

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

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

"**Credit Facilities**" has the meaning ascribed thereto under "*Consolidated Capitalization*".

"**Deadline**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"Escrow Agent" means Odyssey Trust Company, in its capacity as escrow agent pursuant to the Subscription Receipt Agreement.

"Escrow Release Conditions" has the meaning ascribed thereto under *"Details of the Offering – Subscription Receipts"*.

"Escrowed Funds" has the meaning ascribed thereto on the cover page of this short form prospectus.

"Flow-Through Share Non-Brokered Offering" has the meaning ascribed thereto under *"Recent Developments – Non-Brokered Offering"*.

"Flow-Through Shares" means the Common Shares to be issued pursuant to the Flow-Through Share Non-Brokered Offering on a "flow-through" basis pursuant to which subscribers for such shares will be entitled to receive renunciations of amounts qualifying as "Canadian development expense" (as defined in the Tax Act) in amounts equal to the aggregate subscription price of such shares.

"FOFI" has the meaning ascribed thereto under *"Special Note Regarding Forward-Looking Statements"*.

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

"IFRS" means International Financial Reporting Standards issued by the International Accounting Standards Board for publicly accountable enterprises, or such other generally accepted accounting principles and practices applied in Canada from time to time.

"Inception" means Inception Exploration Ltd.

"Inception Acquisition" has the meaning ascribed thereto under *"Recent Developments – The Inception Acquisition"*.

"Inception Acquisition Agreement" means the pre-acquisition agreement between the Corporation and Inception dated February 16, 2021.

"Inception Assets" means the petroleum and natural gas properties, interests, rights and related assets of Inception.

"Inception Reserves Report" means the independent engineering evaluation of the crude oil, natural gas liquids and natural gas reserves attributable to the Inception Assets prepared by Sproule, for Inception, effective December 31, 2019.

"Inception Shares" means the common shares in the capital of Inception.

"Interim MD&A" means the management's discussion and analysis of the financial condition and operating results of the Corporation for the three and nine months ended September 30, 2020.

"Investors" has the meaning ascribed thereto under *"Recent Developments – Non-Brokered Offering"*.

"January 2021 Acquisition" means the Corporation's acquisition on January 14, 2021, of all of the issued and outstanding shares of two private companies for an aggregate purchase price comprised of cash in the amount of \$300,000 and the issuance of 2,002,585 Common Shares at a deemed issuance price of \$3.096 per Common Share.

"Lead Underwriter" has the meaning ascribed thereto on the cover page of this short form prospectus.

"Lenders" has the meaning ascribed thereto under *"Consolidated Capitalization"*.

"May 2020 Offering" means the non-brokered private placement of subscription receipts of the Corporation completed on May 8, 2020, for aggregate gross proceeds of \$64.0 million.

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

"NI 44-101" means National Instrument 44-101 – *Short Form Prospectus Distributions*.

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

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

"Non-Brokered Offering" has the meaning ascribed thereto under *"Recent Developments – Non-Brokered Offering"*.

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

"Offering" has the meaning ascribed thereto on the cover page of this short form prospectus.

"Offering Price" has the meaning ascribed thereto on the cover page of this short form prospectus.

"Option Plan" means the Corporation's existing stock option plan.

"Options" means options to purchase Common Shares granted by the Board in accordance with the Option Plan.

"Preferred Shares" means the preferred shares in the capital of the Corporation.

"Reserves Reports" means, collectively, the Inception Reserves Report and the Simonette Reserves Report.

"Resident Holder" has the meaning ascribed thereto under *"Canadian Federal Income Tax Considerations – Holders Resident in Canada"*.

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

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

"Simonette Acquisition" has the meaning ascribed thereto under *"Recent Developments – The Simonette Acquisition"*.

"Simonette Acquisition Agreement" means the asset purchase agreement between the Corporation and the Simonette Vendor dated February 16, 2021.

"Simonette Assets" means the petroleum and natural gas properties, interests, rights and related assets to be acquired by the Corporation from the Simonette Vendor pursuant to the terms of the Simonette Acquisition Agreement.

"Simonette Reserves Report" means the independent engineering evaluation of the crude oil, natural gas liquids and natural gas reserves attributable to the Simonette Assets prepared by GLJ Ltd., for the Simonette Vendor, effective September 30, 2020.

"Simonette Vendor" means the vendor of the Simonette Assets.

"Spartan Note" has the meaning ascribed thereto under *"Recent Developments – The Inception Acquisition"*.

"Sproule" means Sproule Associates Limited.

"**Subscription Agreements**" has the meaning ascribed thereto under "*Recent Developments – Non-Brokered Offering*".

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

"**Subscription Receipts**" has the meaning ascribed thereto on the cover page of this short form prospectus.

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

"**TCP Conditions**" has the meaning ascribed thereto under "*Canadian Federal Income Tax Considerations – Other Dispositions of Subscription Receipts*".

"**Termination Time**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**TSXV**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**Underlying Common Shares**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**Underwriters**" has the meaning ascribed thereto on the cover page of this short form prospectus.

"**Underwriting Agreement**" means the underwriting agreement dated effective February 16, 2021 between the Corporation and the Underwriters.

"**Underwriting Fee**" has the meaning ascribed thereto on the cover page of this short form prospectus.

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

"**Vendors**" means, collectively, the Simonette Vendor and the Willesden Green Vendor.

"**Warrants**" means Common Share purchase warrants of the Corporation, each warrant entitling the holder thereof to purchase one Common Share at a price of \$1.00 for a period of five years from the date of issuance.

"**Willesden Green Acquisition**" has the meaning ascribed thereto under "*Recent Developments – The Willesden Green Acquisition*".

"**Willesden Green Acquisition Agreement**" means the agreement of purchase and sale between the Corporation and the Willesden Green Vendor dated January 29, 2021.

"**Willesden Green Assets**" means the petroleum and natural gas properties, interests, rights and related assets to be acquired by the Corporation from the Willesden Green Vendor pursuant to the terms of the Willesden Green Acquisition Agreement.

"**Willesden Green Vendor**" means the vendor of the Willesden Green Assets.

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this short form prospectus, and in certain documents incorporated by reference into this short form prospectus, constitute forward-looking statements. All forward-looking statements are based on the Corporation's belief and assumptions based on information available at the time the assumption was

made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this short form prospectus should not be unduly relied upon.

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

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

- the Offering, including the use of proceeds from the Offering;
- the anticipated Closing Date;
- completion of the Offering, the Acquisitions and the Non-Brokered Offering, and the timing thereof;
- the amount of closing adjustments to the purchase price of the Acquisitions;
- the anticipated benefits of the Acquisitions, including the impact of the Acquisitions on the Corporation's operations, reserves, inventory and opportunities, financial condition, access to capital and overall strategy;
- the listing of the Subscription Receipts issued pursuant to the Offering;
- expectations with respect to production, operating netbacks, run rate net operating income, adjusted funds flow, free funds flow, capital expenditures and net debt relating to the Acquired Assets and Spartan following the Acquisitions;
- development and drilling plans for the Acquired Assets, including the drilling locations associated therewith and timing of results therefrom;
- capacity of infrastructure;
- anticipated operational results for 2021 including, but not limited to, estimated or anticipated production levels, operating netbacks, run rate net operating income, adjusted funds flow, free funds flow, net debt, capital expenditures, drilling plans and other information discussed under "*Recent Developments*" in this short form prospectus;
- the performance characteristics of the Corporation's oil and natural gas properties and the Acquired Assets;
- the estimated quantity of the Corporation's oil and natural gas reserves and anticipated future cash flows from such reserves;
- the estimated quantity of the oil and gas reserves associated with the Acquired Assets and anticipated future cash flows from such reserves;
- the anticipated increase to the Credit Facilities in connection with the Simonette Acquisition and the Willesden Green Acquisition;
- the source of funding for the Corporation's activities including development costs;
- projections of commodity prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- treatment under governmental regulatory regimes and tax laws;
- expected production rates;
- fluctuations in depletion, depreciation, and accretion rates;
- possible changes in regulatory regimes in respect of royalty curves and regulatory improvements and the effects of such changes; and
- Spartan's business and acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom.

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

- inability to complete the Acquisitions;
- the conditions to the completion of the Offering may not be satisfied;
- the use of proceeds of the Offering and Non-Brokered Offering by the Corporation may change if the Board determines that it would be in the best interests of the Corporation to deploy the proceeds for some other purpose;
- failure to realize the anticipated benefits of the Acquisitions;
- unforeseen difficulties in integrating the Acquired Assets into the Corporation's operations;
- volatility in market prices for oil and natural gas;
- operational risks and liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- changes in royalty regimes;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of benefits to be obtained from acquisitions and exploration and development programs (including the Acquisitions);
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- adverse effects on general economic conditions in Canada, the United States and globally, including due to the COVID-19 pandemic;
- adverse effects of the Biden administration on the Canadian oil and gas industry;
- the accuracy of oil and gas reserves estimates and estimated production levels as they are affected by exploration and development drilling and estimated decline rates;
- the uncertainties in regard to the timing of Spartan's exploration and development program;
- fluctuations in the costs of borrowing;
- political or economic developments;
- ability to obtain regulatory approvals;
- the results of litigation or regulatory proceedings that may be brought against the Corporation;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- the other factors discussed under "*Risk Factors*" herein and in the AIF, Annual MD&A and Interim MD&A.

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

This short form prospectus contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the Corporation's prospective results of operations, operating costs, expenditures, free funds flows, adjusted funds flow, operating netbacks, run rate net operating income, net debt (surplus), debt and components thereof, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this short form prospectus was made as of the date of this short form prospectus and was provided for the purpose of describing the anticipated effects of the Offering, the Non-Brokered Offering and the Acquisitions on the Corporation's business operations. The Corporation disclaims any intention or obligation to update or revise any FOFI contained in this short form prospectus, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this short form prospectus should not be used for purposes other than for which it is disclosed herein. See "*Risk Factors*".

With respect to forward-looking statements contained in this short form prospectus, the Corporation has made assumptions regarding, among other things: the timing of obtaining regulatory and third party approvals and completion of the Offering, the Non-Brokered Offering and the Acquisitions; that commodity prices will be

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

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

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

CONVENTIONS

Certain terms used herein are defined in the "*Selected Definitions*". Certain other terms used herein but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101. References to "oil" in this short form prospectus include light crude oil and medium crude oil, combined. NI 51-101 includes condensate within the product type of "natural gas liquids". References to "natural gas liquids" or "NGLs" include pentane, butane, propane, ethane and condensate. References to "gas" or "natural gas" relates to conventional natural gas.

All financial information herein has been presented in Canadian dollars in accordance with IFRS. Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders. All dollar amounts set forth in this short form prospectus are in Canadian dollars, except where otherwise indicated.

On June 1, 2020, the Corporation completed the Consolidation on the basis of one post-Consolidation Common Share for each 100 pre-Consolidation Common Shares. Unless otherwise indicated, all references to the number of Common Shares and other securities of the Corporation and the prices thereto prior to the Consolidation date in this short form prospectus have been restated to reflect the Consolidation. As a result, restated figures may be slightly greater than or less than their pre-Consolidation equivalent due to rounding.

NON-IFRS MEASURES

References are made herein, and in certain of the documents incorporated by reference herein, to terms commonly used in the oil and natural gas industry. The Corporation uses "funds from operations", "adjusted funds flow", "free funds flow", "net debt (surplus)", "operating netback" and "run rate operating income", which do not have a standardized meaning prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other companies. These non-IFRS measures are further described and defined below.

Adjusted Funds Flow and Free Funds Flow

"**Funds from Operations**" represents cash flow provided by operating activities determined in accordance with IFRS, adjusted to add back changes in non-cash working capital.

"**Adjusted Funds Flow**" is calculated as Funds from Operations, adjusted to add back transaction costs on acquisitions and to deduct cash lease payments. Spartan believes Adjusted Funds Flow is an appropriate metric to compare relative to Net Debt because it reflects the net cash flow generated from routine business operations and because Spartan does not include lease liabilities in its definition of Net Debt (Surplus).

"**Free Funds Flow**" is calculated as Adjusted Funds Flow less total net capital expenditures, excluding acquisitions.

"**Net Debt (Surplus)**" includes bank debt, net of Adjusted Working Capital. "**Adjusted Working Capital**" is calculated as current assets less current liabilities, excluding derivative financial instrument assets and liabilities and lease liabilities.

The Corporation uses Funds from Operations, Adjusted Funds Flow and Free Funds Flow to analyze financial and operating performance and feels these benchmarks are key measures of profitability and overall sustainability. Spartan's management considers Adjusted Funds Flow to be a key measure that demonstrates the Corporation's ability to generate the cash necessary to repay Net Debt and make capital investments. The Corporation believes that by excluding the temporary impact of changes in non-cash operating working capital, Funds from Operations provides a useful measure of Spartan's ability to generate cash that is not subject to short-term movements in non-cash operating working capital. By removing the impact of total net capital expenditures (excluding acquisitions) from Adjusted Funds Flow, Spartan believes Free Funds Flow provides an indication to investors and Spartan shareholders of the funds Spartan has available for future capital allocation decisions. These measures are not intended to represent operating profits nor should they be viewed as an alternative to cash flow provided by operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS. For a reconciliation of Adjusted Funds Flow, Funds from Operations and Net Debt (Surplus), see the Corporation's Interim MD&A incorporated herein by reference.

Operating Netback and Run Rate Operating Income

"**Operating Netback**" refers to Operating Income expressed per unit of production on a boe basis. "**Operating Income**" is calculated by deducting operating and transportation expenses from total revenue, after realized gains or losses on commodity price derivative financial instruments. Total revenue is comprised of oil and gas sales, net of royalties, plus processing and other revenue.

The Corporation believes Operating Netback (along with Run Rate Net Operating Income, defined below) are useful supplemental measures that demonstrate the Corporation's ability to generate the cash necessary to repay debt or fund future capital investment. Spartan considers Operating Netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. For a reconciliation of Operating Income and Operating Netback, see the Corporation's Interim MD&A incorporated herein by reference.

Operating Netbacks in this short form prospectus are based on a WTI price of US\$50.00/bbl, USD/CAD exchange rate of \$1.27, Edmonton par differential of \$4.00/bbl and \$ 2.75/GJ AECO for 2021.

The operating netback (\$/boe) assumptions used for the Acquired Assets in 2021 are as follows:

(\$/boe)	<u>Acquired Assets</u>
Oil and gas sales	28.15
Processing and other revenue	0.94
Royalties	(2.21)
Operating expenses	(12.13)

(\$/boe)	Acquired Assets
Transportation expenses	(1.99)
Operating netbacks	12.76

The 2021 operating netbacks (\$/boe) assumptions used under "Recent Developments – Revised and Preliminary Corporate Guidance for 2021" are as follows:

(\$/boe)	Spartan January 2021 Guidance	Spartan Pre-Acquisitions	Spartan Post-Acquisitions
Oil and gas sales	20.25	20.45	21.72
Processing and other revenue	0.44	0.44	0.52
Realized hedging gain (loss)	(0.82)	(0.82)	(0.69)
Royalties	(2.23)	(2.25)	(2.24)
Operating expenses	(5.10)	(5.10)	(6.20)
Transportation expenses	(1.45)	(1.45)	(1.52)
Operating netbacks	11.09	11.27	11.59

"Run Rate Net Operating Income" is calculated based on annualized production and Operating Netback figures. Where a non-IFRS or IFRS measure in this short form prospectus is qualified by the words "run rate", it represents the "pro forma" figure as adjusted to give effect to the Acquisitions. Spartan considers Run Rate Net Operating Income as an important measure to illustrate how the Corporation would have performed if the Acquisitions had been consummated at the start of the period.

CONVERSIONS

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

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

ABBREVIATIONS

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
Mstb	thousand stock tank barrels of oil
NGLs	natural gas liquids

Natural Gas

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

Other

AECO	Alberta Energy Company "C" Meter Station of the NOVA Pipeline System
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale
BOE or boe	barrel or barrels of oil equivalent, using the conversion factor of 6 Mcf of natural gas being equivalent to one barrel of oil
boe/d	barrels of oil equivalent per day
USD	United States dollars
Mboe	thousand barrels of oil equivalent.
MMboe	million barrels of oil equivalent
WTI	West Texas Intermediate, the reference price paid in USD at Cushing, Oklahoma for the crude oil standard grade
M\$	thousands of dollars
MM\$	millions of dollars

BARREL OF OIL EQUIVALENCY

The term "boe" means a barrel of oil equivalent on the basis of 6 Mcf of natural gas to 1 Bbl of oil. The term boe may be misleading, particularly if used in isolation. **A boe conversation ratio of 6 Mcf: 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf: 1Bbl, utilizing a conversion ratio at 6 Mcf: 1 Bbl may be misleading as an indication of value.**

DRILLING LOCATIONS

This short form prospectus discloses drilling locations in three categories: (i) proved locations; (ii) probable locations; and (iii) unbooked locations. Proved locations and probable locations are derived from the Reserves Reports and account for drilling locations that have associated proved and/or probable reserves, as applicable. Unbooked locations are internal estimates based on Corporation's assumptions as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources. Of the 414 net drilling locations identified herein, 110 are proved locations, 62 are probable locations and 242 are unbooked locations. Unbooked locations have been identified by management as an estimation of Corporation's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information assuming completion of the Acquisitions. Assuming completion of the Acquisitions, there is no certainty that the Corporation will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations considered for future development will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been derisked by the drilling of existing wells by Inception in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in certain of the provinces of Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Chief Financial Officer of the Corporation at 500, Penn West Plaza – East Tower, 207 – 9th Avenue S.W., Calgary, Alberta T2P 1K3, telephone (403) 265-8011. These documents are also available through the internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com.

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

1. the AIF;
2. the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2019 and 2018, together with the notes thereto and the auditors' report thereon;
3. the Annual MD&A;
4. the unaudited condensed consolidated interim financial statements of the Corporation as at and for the three and nine months ended September 30, 2020, together with the notes thereto;
5. the Interim MD&A;
6. the management information circular of the Corporation dated April 27, 2020, with respect to the annual general and special meeting of the shareholders of the Corporation held on May 22, 2020;
7. the management information circular of the Corporation dated February 12, 2020, with respect to the special meeting of the shareholders of the Corporation held on March 4, 2020;
8. the business acquisition report of the Corporation dated September 22, 2020 (the "**Bellatrix Business Acquisition Report**"), in respect of the Corporation's acquisition of certain oil and gas properties, interests, rights and related assets located in west-central Alberta from Bellatrix Exploration Ltd. (the "**Bellatrix Acquisition**");
9. the material change report of the Corporation dated February 22, 2021 in respect of the Offering, the Non-Brokered Offering, the Inception Acquisition and the Simonette Acquisition;
10. the material change report of the Corporation dated June 10, 2020 in respect of: (i) the closing of the Bellatrix Acquisition; (ii) the creation of the Credit Facilities; (iii) the conversion of the subscription receipts issued pursuant to the May 2020 Offering into 29,455,000 Common Shares and the release from escrow of the gross proceeds related thereto; (iv) the issuance of 2,545,000 Common Shares in connection with the May 2020 Offering; (v) the completion of the name change of the Corporation to "Spartan Delta Corp."; and (vi) the Consolidation;
11. the material change report of the Corporation dated May 1, 2020 in respect of: (i) the execution of the definitive agreement in respect of the Bellatrix Acquisition; (ii) the execution of a commitment letter in respect of the Credit Facilities; (iii) the closing of the May 2020 Offering; (iv) the announcement of the name change of the Corporation to "Spartan Delta Corp."; and (v) the announcement of the Consolidation; and
12. the "template version" (as such term is defined in NI 41-101) of the term sheet for the Offering dated and filed on SEDAR on February 16, 2021, as amended and re-filed on February 17, 2021.

Any documents of the type required by NI 44-101 to be incorporated by reference in a short form prospectus including any material change reports (excluding material change reports filed on a confidential basis), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, management's discussion and analysis of financial condition and results of operations, information circulars, annual information forms, marketing materials (as such term is defined in NI 41-101) and business acquisition reports filed by the Corporation with the securities commissions or similar authorities in the provinces

of Canada subsequent to the date of this short form prospectus and prior to the termination of this Offering are deemed to be incorporated by reference in this short form prospectus.

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

MARKETING MATERIALS

Any "template version" of any "marketing materials" (as such terms are defined in NI 41-101) that are utilized by the Underwriters in connection with the Offering are not part of this short form prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this short form prospectus. Any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated into this short form prospectus.

THE CORPORATION

The Corporation was incorporated under the ABCA as "Duallex Energy International Inc." on March 20, 2006. On May 24, 2006, the Corporation's share structure was amended by way of a court-approved plan of arrangement (the "**Arrangement**") under Section 193 of the ABCA. Under the Arrangement, the articles of the Corporation were amended to: (i) remove all share transfer restrictions in the articles of the Corporation; and (ii) create and authorize the Corporation to issue an unlimited number of non-voting, redeemable, retractable special Preferred Shares. On December 20, 2016, the Corporation consolidated its issued and outstanding Common Shares on the basis of ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share and changed its name to "Return Energy Inc." On June 1, 2020, the Corporation completed the Consolidation and changed its name to "Spartan Delta Corp." On January 1, 2021, the Corporation amalgamated with its wholly-owned subsidiary Winslow Resources Inc. to form "Spartan Delta Corp." On January 14, 2021, the Corporation amalgamated with the two private companies acquired pursuant to the January 2021 Acquisition to form "Spartan Delta Corp."

Spartan's head office is located at 500, Penn West Plaza – East Tower, 207 – 9th Avenue S.W., Calgary, Alberta, T2P 1K3, and its registered office is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, T2P 5C5.

The Corporation does not have any subsidiaries.

BUSINESS OF THE CORPORATION

The Corporation is a public energy company focused on oil and gas exploration and production with its offices located in Calgary, Alberta. Spartan operates assets primarily in the Alberta Deep Basin. For further information on the Corporation and its business activities, see the AIF which is incorporated by reference herein.

RECENT DEVELOPMENTS

The Inception Acquisition

On February 16, 2021, the Corporation entered into the Inception Acquisition Agreement with Inception pursuant to which the Corporation agreed to acquire all of the issued and outstanding Inception Shares by way of an

exempt take-over bid for aggregate share consideration of \$91.0 million, plus the assumption by Spartan of net debt estimated to be \$7.8 million (the "**Inception Acquisition**"). Inception is an oil-weighted Montney focused private company with operations primarily in the Gold Creek area of north-west Alberta, in the vicinity of the Corporation's lands acquired pursuant to the January 2021 Acquisition.

Pursuant to the Inception Acquisition Agreement, the Corporation will acquire the Inception Shares in consideration for the issuance of 23,734,384 Common Shares to Inception shareholders at a deemed issuance price of approximately \$3.83 per Common Share, calculated using the volume weighted average trading price of the Common Shares for the 20 trading days immediately preceding February 16, 2021 (assuming 100% of the Inception Shares are tendered). In addition, Spartan will issue a \$50.0 million unsecured non-interest bearing convertible promissory note (the "**Spartan Note**") to a major shareholder and debtholder of Inception (the "**Inception Shareholder**"). The Spartan Note will mature five years from the closing of the Inception Acquisition, and will be convertible in whole or in part beginning on the day that is two years following the closing of the Inception Acquisition, at the Corporation's election, for such number of Common Shares calculated based on the greater of: (i) the volume weighted average trading price of the Common Shares for the 10 trading days immediately preceding the delivery by the Corporation of a notice of conversion to the Inception Shareholder; and (ii) \$7.67, being two times the deemed issuance price of the Common Shares under the Inception Acquisition. Upon all of the conditions of the Inception Acquisition Agreement having been satisfied or waived (to the extent permitted pursuant to the Inception Acquisition Agreement), the Corporation will take-up and pay for the Inception Shares deposited under the Inception Acquisition in accordance with the terms of the Inception Acquisition Agreement.

Concurrent with the execution of the Inception Acquisition Agreement, holders of more than 90% of the issued and outstanding Inception Shares have executed irrevocable acceptances and have agreed to tender their Inception Shares under the Inception Acquisition. The Inception Acquisition Agreement provides for, among other things, a non-solicitation covenant on the part of Inception. Upon completion of the take-up by the Corporation of the Inception Shares tendered pursuant to the Inception Acquisition, the Corporation expects to acquire the Inception Shares not tendered by way of compulsory acquisition pursuant to Section 195 of the ABCA.

Closing of the Inception Acquisition is expected to occur on or about March 18, 2021, subject to customary closing conditions and regulatory approvals, including the approval of the TSXV, the approval of the shareholders of Spartan required as a result of the Inception Shareholder becoming a "Control Person" as defined under the policies of the TSXV (which approval shall be obtained by a written consent executed by the holders of at least 50.1% of the issued and outstanding Common Shares) and the approval of the Commissioner of Competition pursuant to the *Competition Act* (Canada).

In connection with the completion of the Inception Acquisition, the Corporation will enter into a nomination rights agreement (the "**Nomination Rights Agreement**") providing the Inception Shareholder with the right to nominate: (i) two directors to the Board if it holds at least 20% of the issued and outstanding Common Shares on a basic basis; and (ii) one director to the Board if it holds at least 15% of the issued and outstanding Common Shares on a basic basis. The Nomination Rights Agreement terminates upon the Inception Shareholder holding less than 15% of the issued and outstanding Common Shares on a basic basis for a period of 120 days. Concurrent with the completion of the Inception Acquisition, Steve Lowden and Elliot S. Weissbluth, current directors of Inception, shall be appointed to the Board as the initial nominees of the Inception Shareholder. Under the Nomination Rights Agreement, the Corporation's consent is required with respect to any nominee, such consent not to be unreasonably withheld or delayed, provided that it shall be deemed unreasonable for the Corporation to withhold consent to the appointment of a nominee if the proposed nominee: (i) meets the qualification requirements to serve as a director under the ABCA, applicable Canadian securities laws and the rules of any stock exchange on which the Common Shares are then listed; (ii) acknowledges and agrees to be bound by the Nomination Rights Agreement with respect to the obligations of the proposed nominee; and (iii) has adequate public company experience and technical expertise relevant to the Corporation's business and operations, after having regard to the Corporation's market capitalization and the age, stage, size and jurisdiction of its operations (the "**Nomination Conditions**"). If a nominee ceases to satisfy the Nomination Conditions during their tenure on the Board, such nominee shall tender his or her resignation from the Board, subject to acceptance by the Corporation.

A copy of the Inception Acquisition Agreement has been filed on SEDAR and may be viewed under the Corporation's SEDAR profile at www.sedar.com.

The Inception Acquisition is not a significant acquisition for the purposes of Part 8 of NI 51-102. The Inception Acquisition, the Simonette Acquisition and the Willesden Green Acquisition are not conditional upon the completion of one another and the closing of such transactions are not contingent upon a single common event.

The Simonette Acquisition

Pursuant to the Simonette Acquisition Agreement, the Corporation has agreed to purchase the Simonette Assets for approximately \$22.9 million, comprised of cash in the amount of \$17.2 million and the issuance of 1,493,180 Common Shares, including and subject to certain working capital and other customary adjustments (the "**Simonette Acquisition**"). The Simonette Assets are located in the Simonette area of north-west Alberta.

The Simonette Acquisition has an effective date of January 1, 2021, and closing is expected to occur on or about March 18, 2021, subject to customary closing conditions and regulatory approvals, including the approval of the TSXV and the Commissioner of Competition pursuant to the *Competition Act* (Canada).

If the Simonette Acquisition closes, the cash portion of the purchase price will be funded from draws under the Credit Facilities. The completion of the Simonette Acquisition is not an Escrow Release Condition.

The Simonette Acquisition is not a significant acquisition for the purposes of Part 8 of NI 51-102. The Inception Acquisition, the Simonette Acquisition and the Willesden Green Acquisition are not conditional upon the completion of one another and the closing of such transactions are not contingent upon a single common event.

The Willesden Green Acquisition

Pursuant to the Willesden Green Acquisition Agreement, the Corporation has agreed to purchase the Willesden Green Assets for cash consideration of approximately \$6.025 million, including and subject to certain working capital and other customary adjustments (the "**Willesden Green Acquisition**"). The Willesden Green Assets are contiguous with Spartan's existing operating assets in west-central Alberta. The Willesden Green Acquisition has an effective date of November 1, 2020, and closing is expected to occur on or about March 1, 2021, subject to customary closing conditions.

If the Willesden Green Acquisition closes, the purchase price will be funded from draws under the Credit Facilities. The completion of the Willesden Green Acquisition is not an Escrow Release Condition.

The Willesden Green Acquisition is not a significant acquisition for the purposes of Part 8 of NI 51-102. The Inception Acquisition, the Simonette Acquisition and the Willesden Green Acquisition are not conditional upon the completion of one another and the closing of such transactions are not contingent upon a single common event.

Benefits of the Acquisitions

Based on current field estimates, the Acquired Assets are producing approximately 9,700 boe/d, consisting of 2,181 bbl/d of oil (22%), 1,215 bbl/d of NGLs (13%) and 37.8 MMcf/d of natural gas (65%). Significant growth opportunities have been identified on the 439,207 gross acres (235,393 net) of the lands associated with the Acquired Assets, including 414 net identified drilling locations. See "*Drilling Locations*".

The Acquired Assets also include strategic processing facilities and infrastructure with limited additional capital required to increase production volumes, including 100% working interests in a 10,000 bbl/d operated central oil battery and a 40 MMcf/d operated natural gas processing facility in Gold Creek, a 50% working interest in a 120 MMcf/d natural gas processing plant in Simonette, water disposal facilities, and an extensive network of field gathering infrastructure and roads, which are expected to support current volumes, third party volumes and anticipated future growth of the Acquired Assets.

The Acquisitions are expected to supplement Spartan's existing position in the Montney fairway, providing multiple years of development inventory and adding to its Montney growth strategy. The Acquired Assets also provide additional Spirit River and Cardium development opportunities synergistic with Spartan's current operations. The Corporation plans to apply principles consistent with its current operations to improve efficiencies, reduce operating costs and enhance margins within the Acquired Assets. The production profile characteristics of the Acquired Assets compliment Spartan's current suite of assets in the Alberta Montney and west-central Alberta, increasing oil-weighted production and drilling inventory and providing further commodity diversification.

Summary of the Acquisitions

In the aggregate, the Acquisitions have the following characteristics:

Total consideration ⁽¹⁾	\$147.9 million
Current production ⁽²⁾	9,700 boe/d (see note (2) for product types)
Land ⁽³⁾	235,393 net acres
Net drilling locations ⁽⁴⁾	172 booked (242 unbooked)
Reserves	
Proved reserves ⁽⁵⁾⁽⁶⁾⁽⁷⁾	91,509 Mboe (see note (7) for product types)
Proved plus probable reserves ⁽⁵⁾⁽⁶⁾⁽⁷⁾	215,370 Mboe (see note (7) for product types)
Operating netback ⁽⁸⁾	\$12.76/boe
Run rate net operating income ⁽⁹⁾	\$45.2 million
Acquisition Metrics	
Current production ⁽²⁾	\$15,247 per boe/d
Proved reserves ⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$1.62 per boe
Proved plus probable reserves ⁽⁵⁾⁽⁶⁾⁽⁷⁾	\$0.69 per boe
Multiple of run rate net operating income ⁽⁹⁾	3.3x

Notes:

- The aggregate consideration to be paid by Spartan in respect of the Acquisitions is estimated to be \$147.9 million. The aggregate amount of cash consideration payable pursuant to the Acquisitions is \$23.2 million, before customary closing adjustments. After estimated closing adjustments of \$4.8 million in the aggregate for the Simonette Acquisition and the Willesden Green Acquisition, net cash consideration is estimated to be \$18.4 million. The net debt of Inception being assumed by Spartan at closing of the Inception Acquisition is estimated to be \$7.8 million. The aggregate value of the Common Shares to be issued pursuant to the Acquisitions is estimated to be approximately \$96.7 million based on a deemed issuance price of \$3.83 per Common Share under the Inception Acquisition and the Simonette Acquisition, calculated using the volume weighted average trading price of the Common Shares for the 20 trading days immediately preceding February 16, 2021. The fair value of the Spartan Note to be issued pursuant to the Inception Acquisition is estimated to be \$25.0 million.
- Average production in the month of January 2021 from the Acquired Assets was approximately 9,700 boe/d, consisting of 2,181 bbl/d of oil (22%), 1,215 bbl/d of NGLs (13%) and 37.8 MMcf/d of natural gas (65%).
- Total land holdings to be acquired is 235,393 net acres, of which approximately 104,654 net acres represent lands in the core development areas of north-west and west-central Alberta.
- See "*Drilling Locations*" for additional details.
- Reserves information is derived from the Reserves Reports, in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. The estimates of reserves in this short form prospectus do not include reserves attributed to the Willesden Green Assets. The estimates of reserves and future net revenue for the Inception Acquisition and Simonette Acquisition may not reflect the same confidence level as estimates of reserves and future net revenue for all of Spartan's properties, due to the effects of aggregation.
- Based on working interest reserves of the Inception Assets and Simonette Assets before deduction of royalties and without including any of royalty interest reserves. See note (5), above.
- Proved reserves consisting of 21.0 MMbbl of oil (23%), 12.7 MMbbl of NGLs (14%) and 346,700 MMcf of natural gas (63%). Proved plus probable reserves consisting of 46.8 MMbbl of oil (22%), 29.8 MMbbl of NGLs (14%) and 832,353 MMcf of natural gas (64%).
- Operating netback is a non-IFRS measure. See "*Non-IFRS Measures*" for additional details.
- Run rate net operating income is based on current production and 2021 operating netback over a 12-month period. Operating netback is based on forecasted assumptions for commodity prices, specifically: US\$50/bbl WTI; C\$2.75/GJ

AECO; C\$60.96/bbl Edmonton Condensate; C\$58.42/bbl Edmonton Oil; US\$0.65/Gal Conway; and USD/CAD exchange of 1.27. See note (8), above, and "Non-IFRS Measures" for additional details.

Non-Brokered Offering

In addition to the Offering, the Corporation has entered into subscription agreements (the "**Subscription Agreements**") with certain institutional investors (collectively, the "**Investors**"), pursuant to which the Investors have agreed to purchase, on a non-brokered private placement basis: (i) an aggregate of 10,000,000 Common Shares at a price of \$4.00 per Common Share for aggregate gross proceeds of \$40,000,000 (the "**Common Share Non-Brokered Offering**"); and (ii) an aggregate of 7,226,626 Flow-Through Shares at a price of \$4.92 per Flow-Through Share for aggregate gross proceeds of \$35,555,000 (the "**Flow-Through Share Non-Brokered Offering**" and, together with the Common Share Non-Brokered Offering, the "**Non-Brokered Offering**"). Pursuant to the Subscription Agreements, the Corporation has agreed, among other things, to complete the Non-Brokered Offering concurrent with the completion of the Inception Acquisition. The gross proceeds of the Flow-Through Share Non-Brokered Offering will be used to incur and renounce Canadian development expenses pursuant to the Tax Act and the net proceeds from the Common Share Non-Brokered Offering will be used for general working capital purposes. No commission is payable to the Underwriters in connection with the Non-Brokered Offering.

This short form prospectus does not qualify the distribution of the Flow-Through Shares or the Common Shares sold pursuant to the Non-Brokered Offering. The Flow-Through Shares and Common Shares sold pursuant to the Non-Brokered Offering will be subject to a statutory four month hold period under applicable Canadian securities laws.

Completion of the Non-Brokered Offering is subject to customary conditions, including the approval of the TSXV.

Revised and Preliminary Corporate Guidance for 2021

The Acquisitions demonstrate the continued successful execution of Spartan's strategy. The Corporation has been able to identify and capitalize on accretive acquisition opportunities that fit well within Spartan's existing portfolio, and has demonstrated its ability to enhance assets and improve returns by employing a technical approach combined with a strict cost-reduction focus.

As a result of the recent rise in oil prices and the positive impact of the Acquisitions, Spartan has elected to increase its 2021 capital program and guidance as follows:

Preliminary 2021 Guidance⁽¹⁾	Spartan January 2021 Guidance	Spartan Pre-Acquisitions	Spartan Post-Acquisitions	% Diff.
Average production (boe/d) ⁽²⁾	29,000 - 31,000	29,000 - 31,000	35,000 - 37,000	20%
% Oil and NGLs	30%	30%	31%	1%
Operating Netback (\$/boe) ⁽³⁾⁽⁴⁾	\$11.09	\$11.27	\$11.59	3%
Adjusted Funds Flow (\$MM) ⁽³⁾⁽⁴⁾	\$93.0	\$96.0	\$122.0	27%
Capital expenditures (\$MM) ⁽⁵⁾	\$43.0	\$43.0	\$101.0	135%
Free Funds Flow (\$MM) ⁽³⁾⁽⁴⁾	\$50.0	\$53.0	\$20.0	(62%)
Net Debt (Surplus) (\$MM) ⁽³⁾⁽⁴⁾	(\$35.0)	(\$38.0)	(\$54.0)	42%

Notes:

- Spartan's pre-Acquisitions guidance shown under "Spartan Pre-Acquisitions" has been revised from previous guidance publicly disclosed in the Corporation's press release dated January 6, 2021 and reproduced under "Spartan January 2021 Guidance". For purposes of this table, the guidance has been revised to isolate the impact of the Acquisitions on Spartan's 2021 guidance, based on current assumptions for forecast commodity prices, specifically: US\$50/bbl WTI; C\$2.75/GJ AECO; C\$60.96/bbl Edmonton Condensate; C\$58.42/bbl Edmonton Oil; US\$0.65/Gal Conway; and USD/CAD exchange of 1.27.
- Production guidance prior to the completion of the Acquisitions shown under "Spartan Pre-Acquisitions" is the midpoint of guidance and consists of approximately 1% oil, 4% condensate, 29% NGLs and 70% natural gas. Production guidance post completion of the Acquisitions shown under "Spartan Post-Acquisitions" consists of

approximately 4% oil, 4% condensate, 23% NGLs and 69% natural gas. Percentage change is based on the midpoint of production guidance.

3. Assumes a March 18, 2021 closing date for the Inception Acquisition and the Simonette Acquisition and a March 1, 2021 closing date for the Willesden Green Acquisition.
4. Operating Netback, Adjusted Funds Flow, Free Funds Flow and Net Debt (Surplus) are non-IFRS measures. See "Non-IFRS Measures".
5. Capital expenditures exclude acquisitions.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at September 30, 2020: (i) before giving effect to the Offering, the Non-Brokered Offering and the Acquisitions; and (ii) after giving effect to the Offering, the Non-Brokered Offering and the Acquisitions (including the issuance of the Spartan Note). The table should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Corporation as at and for the three and nine month period ended September 30, 2020.

	As at September 30, 2020 before giving effect to the Offering, the Non-Brokered Offering or the Acquisitions	As at September 30, 2020 after giving effect to the Offering, the Non-Brokered Offering and the Acquisitions⁽¹⁾⁽²⁾
Indebtedness		
Credit Facilities Drawn ⁽³⁾	\$10,000,000 ⁽⁴⁾	\$Nil ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾
Spartan Note ⁽⁹⁾	Nil	\$50,000,000
Share Capital⁽¹⁰⁾⁽¹¹⁾		
Common Shares (unlimited)	\$108,327,160	\$315,416,664
Preferred Shares (unlimited)	Nil	Nil

Notes:

1. See "Recent Developments" for further information on the Non-Brokered Offering and the Acquisitions.
2. Based on the issuance of: (i) 25,227,564 Common Shares in aggregate in connection with the Inception Acquisition and the Simonette Acquisition, at a deemed issuance price of \$3.83 per Common Share; (ii) 10,000,000 Common Shares in connection with Common Share Non-Brokered Offering for aggregate gross proceeds of \$40,000,000; (iii) 7,226,626 Flow-Through Shares in connection with the Flow-Through Share Non-Brokered Offering for aggregate gross proceeds of \$35,555,000; and (iv) 11,250,000 Underlying Common Shares pursuant to 11,250,000 Subscription Receipts issued in connection with the Offering for aggregate gross proceeds of \$45,000,000, less the Underwriting Fee of \$1,800,000 and the estimated expenses of the Offering of \$500,000 (exclusive of GST), for net proceeds to the Corporation of \$42,700,000. The share capital value includes estimated fees and expenses associated with the Non-Brokered Offering of approximately \$2,300,000 (exclusive of GST). For the purposes of share capital: (i) the flow-through share premium, representing the excess value received for the Flow-Through Shares over a Common Share of \$0.92 (\$6,648,496 in aggregate), has been removed; and (ii) the deferred tax effect of \$1,058,000 in relation to the Offering and the Non-Brokered Offering has been offset against share issue costs in share capital.
3. A syndicate of lenders (collectively, the "Lenders") have made revolving credit facilities available to the Corporation (the "Credit Facilities") in the aggregate amount of \$100.0 million pursuant to a credit agreement dated as of June 1, 2020, as amended by a first amending agreement dated as of November 27, 2020 and a second amending agreement dated as of February 8, 2021 (collectively, the "Credit Agreement"). The Credit Facilities have a revolving period which currently expires on May 31, 2021, extendible annually at the request of the Corporation, subject to approval of the Lenders, and are repayable one year after the expiry of the revolving period. The Credit Facilities are secured by a first fixed and floating charge debenture over all the Corporation's assets in the amount of \$250.0 million and general assignment of book debts. The Credit Facilities bear interest at market interest rates that fluctuate plus a margin based on the net debt to cash flow ratio of the Corporation. Repayments of principal are not required until the maturity date, provided that the borrowings under the Credit Facilities do not exceed the borrowing base and the Corporation is in compliance with all covenants, representations and warranties provided for in the Credit Agreement. The Corporation is not subject to any financial covenants under the Credit Facilities and as at February 18, 2021, the Corporation was in compliance with all operating covenants provided for in the Credit Agreement. The aggregate net proceeds of the Offering will be used to reduce the Corporation's indebtedness under the Credit Facilities, with the balance currently anticipated to be used to fund the Corporation's drilling and capital spending program, for future

acquisitions and for general working capital purposes. See "Use of Proceeds". See "Risk Factors – Credit Facilities Risk", "Risk Factors – Additional Indebtedness" and "Relationship Between the Corporation and Certain Underwriters".

4. As at September 30, 2020, the Corporation had \$10.0 million drawn on the Credit Facilities, excluding a letter of guarantee outstanding in the amount of \$2.8 million against the Credit Facilities. As at February 18, 2021, the Corporation was indebted under the Credit Facilities in the aggregate amount of approximately \$3.0 million, excluding a letter of guarantee outstanding in the amount of \$2.8 million against the Credit Facilities.
5. Pursuant to the Inception Acquisition Agreement, the Corporation will issue 23,734,384 Common Shares valued at \$91.0 million based on the deemed issuance price of approximately \$3.83 per Common Share, calculated using the volume weighted average trading price of the Common Shares for the 20 trading days immediately preceding February 16, 2021. In addition, Spartan will assume net debt of Inception estimated to be approximately \$7.8 million. See "Recent Developments – The Inception Acquisition".
6. Assumes the Simonette Acquisition will have a gross purchase price of \$22.9 million, comprised of the issuance of 1,493,180 Common Shares and cash in the amount of \$17.2 million, before estimated closing purchase price adjustments in the amount of \$4.2 million. See "Recent Developments – The Simonette Acquisition".
7. Assumes the Willesden Green Acquisition will have a gross cash purchase price of \$6.025 million and estimated closing purchase price adjustments in the amount of \$0.6 million. See "Recent Developments – The Willesden Green Acquisition".
8. Includes estimated fees and expenses associated with the Acquisitions of approximately \$1,500,000.
9. \$50.0 million of the long-term net debt of Inception will be exchanged for the Spartan Note. The Spartan Note will mature five years from the closing of the Inception Acquisition, and will be convertible in whole or in part beginning on the day that is two years following the closing of the Inception Acquisition, at Spartan's election, for such number of Common Shares calculated based on the greater of: (i) the volume weighted average trading price of the Common Shares for the 10 trading days immediately preceding the delivery by Spartan of a notice of conversion; and (ii) \$7.67, being two times the deemed issuance price of the Common Shares under the Inception Acquisition Agreement. See "Recent Developments – The Inception Acquisition". Following completion of the Inception Acquisition, Inception will not have any long-term debt outstanding. The fair value of the Spartan Note is estimated to be \$25.0 million.
10. Does not include Options granted pursuant to the Option Plan or Warrants. As at September 30, 2020 and February 18, 2021, Options to purchase an aggregate of approximately 3.4 million Common Shares were outstanding pursuant to the Option Plan. The average price at which outstanding Options are exercisable is \$3.00 per Common Share, and the outstanding Options have a weighted average remaining term to expiry of 4.3 years. Each Option entitles the holder upon exercise to acquire one Common Share. As at each of September 30, 2020 and February 18, 2021, approximately 16.1 million Warrants were outstanding. Each Warrant entitles the holder thereof to purchase one Common Share at a price of \$1.00 for a period of five years from the date of issuance. See "Prior Sales".
11. Share capital does not include: (i) 100,000 Common Shares issued on October 5, 2020 upon exercise of Warrants; and (ii) 2,002,585 Common Shares issued in connection with the January 2021 Acquisition. See "Prior Sales".

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES

The outstanding Common Shares are listed and traded on the TSXV under the trading symbol "SDE". The following table sets forth the price range and trading volume of the Common Shares as reported by the TSXV for the periods indicated.

Period	High (\$)	Low (\$)	Volume
<u>2020</u>			
February	6.50	5.00	47,046
March	6.50	3.00	66,316
April	4.00	1.50	1,344,134
May	3.00	2.00	880,182
June	3.90	2.00	1,590,745
July	2.99	2.62	485,870
August	3.20	2.68	1,412,230
September	2.95	2.35	2,396,983
October	3.10	2.44	6,319,436
November	3.35	2.89	4,557,069
December	3.26	2.86	2,691,045
<u>2021</u>			
January	3.95	2.86	3,475,943
February (1-19)	4.36	3.45	3,128,556

On February 12, 2021 and February 19, 2021, the last trading days prior to the public announcement of the Offering and the date of this short form prospectus, respectively, the closing price of the Common Shares on the TSXV was \$4.20 and \$4.08, respectively.

PRIOR SALES

The following table summarizes the issuances of Common Shares and securities convertible into Common Shares within the 12-month period prior to the date of this short form prospectus.

<u>Date of Issuance</u>	<u>Description of Transaction</u>	<u>Number of Securities</u>	<u>Price per Security</u>
June 1, 2020	Conversion of subscription receipts ⁽¹⁾	29,455,000 Common Share	N/A ⁽¹⁾
June 1, 2020	Issued in connection with the May 2020 Offering ⁽²⁾	2,545,000 Common Shares	\$2.00 ⁽²⁾
August 4, 2020	Exercise of Warrants	20,000 Common Shares	\$1.00
October 5, 2020	Exercise of Warrants	100,000 Common Shares	\$1.00
January 14, 2021	Issued pursuant to the January 2021 Acquisition ⁽³⁾	2,002,585 Common Shares	\$3.096 ⁽³⁾

Notes:

- On May 8, 2020, the Corporation completed the May 2020 Offering, and the subscription receipts issued thereunder were exchanged for Common Shares on June 1, 2020, contemporaneous with the closing of the Bellatrix Acquisition. The subscription receipts issued pursuant to the May 2020 Offering were sold at a subscription price of \$2.00.
- On May 8, 2020, in connection with the May 2020 Offering, the Corporation entered into irrevocable subscription agreements for the issuance of 2,545,000 Common Shares at a price of \$2.00 per Common Share, which were issued contemporaneous with the exchange of the subscription receipts issued pursuant to the May 2020 Offering for Common Shares.
- On January 14, 2021, the Corporation closed the January 2021 Acquisition. Pursuant to the share purchase agreement dated January 5, 2021, the purchase price included \$0.3 million of cash and the issuance of 2,002,585 Common Shares at a deemed issue price of \$3.096 per Common Share. The closing price of the Corporation's Common Shares on the TSXV was \$3.95 on the closing date of January 14, 2021.

USE OF PROCEEDS

After deducting the Underwriting Fee of \$1,800,000 and estimated expenses of the Offering of \$500,000 (exclusive of GST), the net proceeds to the Corporation from the sale of the Subscription Receipts issuable hereunder will be \$42,700,000. See "*Plan of Distribution*".

The gross proceeds from the Offering will be held by the Escrow Agent, and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments in accordance with the terms of the Subscription Receipt Agreement) pending the satisfaction of the Escrow Release Conditions. Upon satisfaction of the Escrow Release Conditions at or before the Deadline, the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Underwriting Fee, including the interest earned thereon, if any) will be released to the Corporation upon receipt of a notice by the Escrow Agent from the Corporation and acknowledged by the Lead Underwriter that the Escrow Release Conditions have been satisfied.

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

If: (i) the Corporation fails to satisfy the Escrow Release Conditions on or before the Deadline; (ii) the Inception Acquisition Agreement or the Subscription Agreements are terminated in accordance with their terms; or (iii) the Corporation advises the Escrow Agent and the Underwriters or formally announces to the public by way of a press release or otherwise that it does not intend to proceed with the Inception Acquisition or the Non-Brokered Offering, the Corporation shall forthwith provide notice thereof to the Lead Underwriter and the Escrow Agent, and the holders of Subscription Receipts will receive an amount equal to the full subscription price attributable to the

Subscription Receipts and their pro rata entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any. See "*Details of the Offering*".

As the Simonette Acquisition and the Willesden Green Acquisition will be funded by draws under the Credit Facilities, the net proceeds of the Offering will be used by the Corporation to reduce the Corporation's indebtedness under its Credit Facilities, with the balance currently anticipated to be used to fund the Corporation's drilling and capital spending program, for future acquisitions and for general working capital purposes. The anticipated use of net proceeds of the Offering by the Corporation is consistent with the Corporation's stated business objectives and strategic goals of the exploration for, and development and acquisition of, oil and natural gas reserves. Other than the successful completion of the Offering, the Non-Brokered Offering and the Acquisitions, the success of the Corporation in meeting its business objectives will be dependent in part on the success of its drilling program and the availability of other accretive opportunities, which cannot be determined in advance. Upon completion of the Offering, the Non-Brokered Offering and the Acquisitions, the Corporation believes it will be better positioned to further its business objectives of exploring for and developing oil and gas assets.

While Spartan believes that it has the skills and resources necessary to accomplish its stated business objectives and strategic goals, participation in the acquisition of, exploration for and development of oil and natural gas reserves has a number of inherent risks. See "*Risk Factors*" herein and in the AIF and "*Risks and Uncertainties*" in each of the Interim MD&A and the Annual MD&A, which are incorporated by reference herein.

DETAILS OF THE OFFERING

Subscription Receipts

The following is a summary of the material attributes and characteristics of the Subscription Receipts. This summary does not purport to be complete and is subject to, and qualified in its entirety by, reference to the terms of the Subscription Receipt Agreement, which, following the Closing Date, may be viewed under the Corporation's profile on SEDAR at www.sedar.com.

The Subscription Receipts will be issued on the Closing Date pursuant to the Subscription Receipt Agreement. The Escrowed Funds will be held by the Escrow Agent, and may be invested in short-term obligations of, or guaranteed by, the Government of Canada (or other approved investments in accordance with the terms of the Subscription Receipt Agreement) pending delivery by the Corporation to the Lead Underwriter of a certificate to the effect, and the Lead Underwriter being satisfied, acting reasonably, that the Inception Acquisition and the Non-Brokered Offering have been completed in accordance with the Inception Acquisition Agreement and the Subscription Agreements, respectively, without material waiver of the terms and conditions thereof, in whole or in part, by any of the parties thereto (unless the consent of the Lead Underwriter, on behalf of the Underwriters, is given to such waiver or amendment, such consent not to be unreasonably withheld or delayed) (the "**Escrow Release Conditions**"). Upon satisfaction of the Escrow Release Conditions on or before the Deadline, the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Underwriting Fee, including the interest earned thereon, if any) will be released to the Corporation upon: (i) receipt of a notice by the Escrow Agent from the Corporation, and acknowledged by the Lead Underwriter, that the Escrow Release Conditions have been satisfied; and (ii) delivery of an irrevocable direction by the Corporation to the Escrow Agent, as the registrar and transfer agent of the Common Shares, to issue the Underlying Common Shares issuable pursuant to the Subscription Receipts to the holders thereof; following which each holder of Subscription Receipts will receive one Underlying Common Share for each Subscription Receipt held, without payment of additional consideration or further action on the part of such holder.

Spartan will utilize the Escrowed Funds to reduce the Corporation's indebtedness under its Credit Facilities, with the balance currently anticipated to be used to fund the Corporation's drilling and capital spending program, for future acquisitions and for general working capital purposes. See "*Use of Proceeds*".

If: (i) the Corporation fails to satisfy the Escrow Release Conditions on or before the Deadline; (ii) the Inception Acquisition Agreement or the Subscription Agreements are terminated in accordance with their terms; or (iii) the Corporation advises the Escrow Agent and the Underwriters or formally announces to the public by way of a

press release or otherwise that it does not intend to proceed with the Inception Acquisition or the Non-Brokered Offering, the Corporation shall forthwith provide notice thereof to the Lead Underwriter and the Escrow Agent, and the holders of Subscription Receipts will receive an amount equal to the full subscription price attributable to the Subscription Receipts and their pro rata entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any. If the Termination Time occurs, the Underwriting Fee will be reduced to the amount payable upon Closing. See "*Details of the Offering*".

Upon satisfaction of the Escrow Release Conditions and the issuance of the Underlying Common Shares, the Corporation will issue a press release announcing that the Escrow Release Conditions have been satisfied and that the Underlying Common Shares have been issued.

Under the Subscription Receipt Agreement, original purchasers of Subscription Receipts under the Offering will have a contractual right of rescission against the Corporation both prior to and following the issuance of Underlying Common Shares issued pursuant to the Subscription Receipts to such purchaser to receive the amount paid for the Subscription Receipts if this short form prospectus (including the documents incorporated by reference herein) and any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of closing of the Offering. This contractual right of rescission will be consistent with the statutory right of rescission described under the heading "*Statutory and Contractual Rights of Withdrawal and Rescission*" in this short form prospectus and is in addition to any right or remedy available to original purchasers under the securities legislation of certain provinces of Canada or otherwise at law.

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

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

The Corporation has applied to list the Subscription Receipts and the Underlying Common Shares on the TSXV. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV. See "*Risk Factors – Market for Securities*". There is currently no public market for the Subscription Receipts and there can be no assurance that an active trading market will develop.

Original purchasers of Subscription Receipts are further advised that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. Holders of Subscription Receipts are not shareholders and do not have rights as the Corporation's shareholders. Holders of Subscription Receipts are entitled only to receive Underlying Common Shares pursuant to their Subscription Receipts or to a return of the subscription price for the Subscription Receipts together with any payments of interest or other income as described above, if any.

Book-Based System

Except as otherwise provided herein, the Subscription Receipts will be issued in electronic form and must be purchased or transferred through a registered dealer who is a CDS Participant. Except as otherwise provided herein, on the Closing Date, the Subscription Receipts will be registered and represented electronically through CDS, and will be deposited with CDS pursuant to the book-based system administered by CDS. Unless the book-based system is terminated as described below or if Subscription Receipts are evidenced by Subscription Receipt Certificates, a person acquiring a beneficial interest in the Subscription Receipts (a "**Subscription Receipt Beneficial Owner**") will not be entitled to receive a certificate for Subscription Receipts, or, unless requested, for the Underlying Common Shares. Purchasers of Subscription Receipts will not be shown on the records maintained by CDS, except through a CDS Participant.

Beneficial interests in Subscription Receipts will be represented solely through the book-based system and such interests will be evidenced by customer confirmations of purchase from the registered dealer from which the Subscription Receipts are purchased in accordance with the practices and procedures of that registered dealer. In addition, registration of interests in and transfers of the Subscription Receipts will be made only through the depository service of CDS.

As indirect holders of Subscription Receipts, investors should be aware that they (subject to the situations described below): (i) may not have Subscription Receipts registered in their name; (ii) may not have physical certificates representing their interest in the Subscription Receipts; (iii) may not be able to sell the Subscription Receipts to institutions required by law to hold physical certificates for securities they own; and (iv) may be unable to pledge Subscription Receipts as security.

The Subscription Receipts will be issued to beneficial owners thereof in fully registered and certificate form (the "**Subscription Receipt Certificates**") only if: (i) required to do so by applicable law; (ii) the book-based system ceases to exist; (iii) CDS advises the Escrow Agent that CDS is no longer willing or able to properly discharge its responsibilities as depository with respect to the Subscription Receipts and the Corporation is unable to locate a qualified successor; or (iv) the Corporation decides to terminate the book-based system through CDS.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Escrow Agent must notify CDS, for and on behalf of CDS Participants and Subscription Receipt Beneficial Owners, of the availability through CDS of Subscription Receipt Certificates. Upon surrender by CDS of the Subscription Receipts and receipt of instructions from CDS for the new registrations, the Escrow Agent will deliver the Subscription Receipts in the form of Subscription Receipt Certificates and thereafter the Corporation will recognize the holders of such Subscription Receipt Certificates as Subscription Receipt holders under the Subscription Receipt Agreement.

Neither the Corporation nor the Underwriters will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Subscription Receipts held by CDS or any payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Subscription Receipts; or (iii) any advice or representation made by or with respect to CDS and contained in this short form prospectus and relating to the rules governing CDS or any action to be taken by CDS or at the direction of a CDS Participant. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and Subscription Receipt Beneficial Owners must look solely to CDS Participants for any payments relating to the Subscription Receipts paid by or on behalf of the Corporation to CDS.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have severally agreed to purchase on Closing, subject to the terms and conditions therein, an aggregate of 11,250,000 Subscription Receipts, at a price of \$4.00 per Subscription Receipts payable in cash to the Corporation against delivery. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events as set out in the Underwriting Agreement and described below.

The Underwriting Agreement provides that Spartan will pay the Underwriting Fee of 4% of the gross proceeds of the Offering, or \$0.16 per Subscription Receipt, resulting in net proceeds to the Corporation of \$43,200,000, or \$42,700,000 after deducting the estimated expenses of the Offering of \$500,000 (exclusive of GST). The Underwriting Fee in respect of the Subscription Receipts is payable as to 50% upon Closing and 50% (including any interest accrued thereon, if any) on the release of the Escrowed Funds. If: (i) the Corporation fails to satisfy the Escrow Release Conditions on or before the Deadline; (ii) the Inception Acquisition Agreement or the Subscription Agreements are terminated in accordance with their terms; or (iii) the Corporation advises the Escrow Agent and the Underwriters or formally announces to the public by way of a press release or otherwise that it does not intend to proceed with the Inception Acquisition or the Non-Brokered Offering, the Underwriting Fee will be limited to the 50% paid upon Closing. The terms of the Offering, including the Offering Price, were determined by negotiation between the Corporation and the Lead Underwriter, on its own behalf, and on behalf of the other Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several and not joint, nor joint and several, and may be terminated at their discretion upon the occurrence of certain stated events. Such events include, but are not limited to: (i) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Subscription Receipts or the Common Shares is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the TSXV or by any other competent authority, and has not been rescinded, revoked or withdrawn; (ii) any inquiry, action, suit, investigation (whether formal or informal) or other proceeding is instituted, announced or threatened or any order is issued under or pursuant to any relevant statute or policy or made by any federal, provincial, state or other governmental authority, commission, board, bureau, agency or instrumentality (including without limitation the TSXV or any securities regulatory authority) in relation to the Corporation, or there is any change in law, regulation or policy, or the interpretation or administration thereof, or there is a general moratorium on banking activities in the United States or Canada declared by relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services, which, in any such cases, in the opinion of any of the Underwriters, acting reasonably, operates to impact, suspend, restrict, inhibit, prevent or otherwise adversely impact the distribution or trading of the Subscription Receipts or the Common Shares; (iii) there should occur, be discovered by the Underwriters or be announced by the Corporation, any material change, a new material fact or a change in any material fact in the condition (financial or otherwise), earnings, business, affairs or business prospects of the Corporation which, in the opinion of any of the Underwriters, acting reasonably, has or could be reasonably expected to have a significant adverse effect on the market price or value of the Subscription Receipts or the Underlying Common Shares; or could reasonably be expected to result in the purchasers of a material number of Subscription Receipts or Underlying Common Shares exercising their rights under applicable securities laws to withdraw from or rescind their purchase thereof or sue for damages in respect thereof; (iv) there should develop, occur or come into effect or existence, or be announced, any event, action, state, condition or occurrence of national or international consequence (including any natural catastrophe, act of war, terrorism, pandemic, including without limitation matters caused by, related to or resulting from the COVID-19 outbreak or similar event, except, with respect to the COVID-19 outbreak, to the extent that there are material adverse developments related thereto after February 16, 2021), or any law, action, regulation or other occurrence of any nature whatsoever, which, in the opinion of the Underwriters or any one of them acting reasonably seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets generally or the business, operations or affairs of the Corporation; (v) the Corporation shall be in breach of or in default under or non-compliance with any covenant, term or condition of the Underwriting Agreement, the Subscription Receipt Agreement, the Subscription Agreements or the Inception Acquisition Agreement (and, in the case of the Subscription Agreements and the Inception Acquisition Agreement, that is either not susceptible to being cured or which remains uncured following the completion of any cure period prescribed in the applicable agreement), in any material respect, or any representation or warranty given by the Corporation in the Underwriting Agreement, the Subscription Receipt Agreement, the Subscription Agreements or the Inception Acquisition Agreement becomes or is false in any material respect and, which in the sole opinion of the Underwriters, or any of them, acting reasonably, could be reasonably expected to have a material adverse effect on the market price or value of the Common Shares or the Subscription Receipts or any other securities of the Corporation; or (vi) the Termination Time occurs.

In certain circumstances, if one or more Underwriters fails or refuses to purchase the Subscription Receipts which it has agreed to purchase, the other Underwriter(s) may terminate their obligation to purchase their allotment of

Subscription Receipts, or may, but are not obligated to, purchase the Subscription Receipts not purchased by the Underwriter or Underwriters which fail to purchase the Subscription Receipts it has agreed to purchase; provided, however, that in the event that the percentage of the total number of Subscription Receipts which one or more Underwriters has failed or refused to purchase is not more than 10% of the total number of the Subscription Receipts which the Underwriters have agreed to purchase, the other Underwriters shall be obligated severally to purchase on a pro rata basis the Subscription Receipts which would otherwise have been purchased by the one or more Underwriters which failed or refused to purchase the Subscription Receipts it has agreed to purchase. The Underwriters are, however, obligated to take up and pay for all Subscription Receipts if any Subscription Receipts are purchased under the Underwriting Agreement.

The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their agents, affiliates, directors, officers, shareholders, "controlling persons" (as defined under U.S. securities laws) and employees against certain liabilities, damages, costs and expenses.

It is expected that Closing will occur on or about March 8, 2021, or such other date as the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters, may agree, but in any event no later than the date that is 42 days after the date of the receipt for the final short form prospectus. The Subscription Receipts shall be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus.

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail on the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time.

Pursuant to rules and policy statements of certain securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Subscription Receipts ends and all stabilization arrangements relating to the Subscription Receipts are terminated, bid for or purchase Common Shares of the Corporation. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Common Shares of the Corporation if the bid or purchase is made through the facilities of the TSXV in accordance with applicable marketplace rules; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules; and (iii) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules.

The Underwriters propose to offer the Subscription Receipts initially at the Offering Price specified herein. After reasonable efforts have been made to sell all of the Subscription Receipts at the price specified, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Subscription Receipts remaining unsold. In the event the Offering Price is reduced, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Subscription Receipts is less than the gross proceeds paid by the Underwriters to the Corporation for the Subscription Receipts. Any such reduction will not affect the proceeds received by the Corporation.

The Corporation has agreed that, from the date of the Underwriting Agreement to the date that is 90 days following the Closing Date, it will not issue any additional Common Shares, flow-through common shares or other securities convertible or exchangeable into or exercisable for Common Shares, other than for purposes of employee stock options (including Options granted under the Option Plan), performance warrants, Warrants or awards or pursuant to other incentive plans of the Corporation (including Spartan's Share Award Plan approved by the Board on August 19, 2020), to satisfy existing instruments already issued on or before the Closing Date or in connection with arm's length acquisitions, including Common Shares and Flow-Through Shares issued pursuant to the Non-Brokered Offering and the Underlying Common Shares and Common Shares issued pursuant to the Acquisitions, without the prior written consent of the Lead Underwriter, which consent shall not be unreasonably withheld or delayed.

The Corporation has applied to list the Subscription Receipts and the Underlying Common Shares on the TSXV. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV.

The Subscription Receipts offered hereby and the Underlying Common Shares issuable pursuant to the Subscription Receipts have not been and will not be registered under the 1933 Act or any state securities laws, and accordingly may not be offered, sold or delivered within the United States (as such term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. Except as permitted in the Underwriting Agreement and as expressly permitted by applicable laws of the United States, the Underwriters will not offer, sell or deliver the Subscription Receipts within the United States. The Underwriting Agreement permits the Underwriters to offer and resell the Subscription Receipts that they have acquired pursuant to the Underwriting Agreement, through their U.S. broker-dealer affiliates, to "qualified institutional buyers" (as defined in Rule 144A ("**Rule 144A**") under the 1933 Act) in the United States, provided that such offers and sales are made in transactions in accordance with Rule 144A and are exempt from registration under applicable state securities laws. The Underwriting Agreement also provides that the Underwriters will offer and sell the Subscription Receipts outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Subscription Receipts or Underlying Common Shares issuable pursuant to the Subscription Receipts in the United States. In addition, until 40 days after the commencement of the Offering, any offer or sale of Subscription Receipts or Underlying Common Shares issuable pursuant to the Subscription Receipts offered within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the 1933 Act.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN UNDERWRITERS

National Bank Financial Inc. is a direct or indirect wholly-owned subsidiary of National Bank of Canada which is a Lender of the Corporation pursuant to the Credit Facilities (see note (3) to the table under "*Consolidated Capitalization*"). Further, National Bank Financial Inc. acted as an advisor to the Corporation in connection with the Inception Acquisition and will receive a fee upon the closing of the Inception Acquisition. Consequently, the Corporation may be considered to be a "connected issuer" of National Bank Financial Inc. within the meaning of applicable Canadian securities legislation.

As at February 18, 2021, the Corporation had approximately \$3.0 million owing under the Credit Facilities, excluding a letter of guarantee outstanding in the amount of \$2.8 million against the Credit Facilities. The Corporation is in compliance with all terms of the Credit Facilities and the Lenders thereunder have not waived any breach by the Corporation of any agreements relating thereto since the execution of the Credit Facilities. The Credit Facilities are secured by a first fixed and floating charge debenture over all assets of the Corporation in the amount of \$250,000,000 and general assignment of book debts. Under the terms of the Credit Facilities, the Corporation is required to meet certain financial and engineering reporting requirements. Neither the financial position of the Corporation nor the value of the security under the Credit Facilities has changed substantially since the indebtedness of the Corporation under the Credit Facilities was incurred, other than in the ordinary course of the Corporation's business. It is anticipated that the aggregate net proceeds of the Offering will be used to reduce the Corporation's indebtedness under the Credit Facilities, with the balance currently anticipated to be used to fund the Corporation's drilling and capital spending program, for future acquisitions and for general working capital purposes. None of the Lenders have been or will be involved in the Corporation's decisions regarding the use of proceeds of the Offering. See "*Use of Proceeds*" and "*Consolidated Capitalization*".

The decision to distribute the Subscription Receipts hereunder and the determination of the terms of the Offering were made through negotiations between the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters. The Lenders affiliated with National Bank Financial Inc. did not have any involvement in such decision or determination, but have been advised of the issuance and the terms hereof. As a consequence of this issuance, National Bank Financial Inc. will receive their respective share of the Underwriting Fee. See "*Plan of Distribution*".

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to Spartan, and Burnet, Duckworth & Palmer LLP, counsel to the Underwriters, (collectively, "**Counsel**"), the following is a summary of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable to a subscriber who acquires the Subscription Receipts pursuant to the Offering and who, for purposes of the Tax Act, beneficially owns the Subscription Receipts and will beneficially own the Underlying Common Shares issuable pursuant to the Subscription Receipts (collectively, the "**Securities**") as capital property and who, for purposes of the Tax Act and at all relevant times, deals at arm's length with, and is not affiliated with, the Corporation and the Underwriters (a "**Holder**"). Generally, the Securities will be considered to be capital property to a holder provided the holder does not hold the Securities in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Resident Holders who might not otherwise be considered to hold their Underlying Common Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to have any Underlying Common Shares, and any other "Canadian Security" (as defined in the Tax Act) owned in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. This election is not available in respect of the Subscription Receipts. Holders who do not hold their Securities as capital property should consult their own tax advisor regarding their particular circumstances.

This summary is not applicable to a Holder: (i) that is a "financial institution", as defined in the Tax Act, for purposes of the mark-to-market rules; (ii) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iii) that is a "specified financial institution" as defined in the Tax Act; (iv) that has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (v) that has or will enter into a "derivative forward agreement" or a "synthetic equity arrangement" (each as defined in the Tax Act) with respect to the Securities; or (vi) that is a partnership that is not a "Canadian partnership" as defined in the Tax Act. Any such holder should consult its own tax advisor with respect to an investment in the Securities. In addition, this summary does not address the deductibility of interest by an investor who has borrowed money to acquire Subscription Receipts under this Offering.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the "**Proposed Amendments**"), and Counsel's understanding of the current published administrative and assessing practices of the CRA. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate changes in the law, whether by legislative, governmental or judicial action, nor any provincial, territorial or foreign tax considerations which may differ significantly from those discussed below nor any changes in the administrative or assessing practices of the CRA.

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Securities (including interest, dividends, adjusted cost base and proceeds of disposition) must generally be expressed in Canadian dollars. Amounts denominated in any other currency must be converted into Canadian dollars generally based on the single daily exchange rate quoted by the Bank of Canada on the date such amounts arise or such other date of exchange as is acceptable to the CRA.

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

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder who, at all relevant times, is resident or is deemed resident in Canada for the purposes of the Tax Act, or is a "Canadian partnership" as defined in the Tax Act (a "**Resident Holder**").

Acquisition of Underlying Common Shares Pursuant to Terms of the Subscription Receipts

A Resident Holder will not realize a capital gain or a capital loss on the acquisition of an Underlying Common Share pursuant to a Subscription Receipt.

The cost of any such Underlying Common Shares will generally be equal to the amount paid by such Resident Holder to acquire the Subscription Receipts. The adjusted cost base of Underlying Common Shares received will generally be averaged with the adjusted cost base of all other Common Shares held by the Resident Holder as capital property to determine the adjusted cost base of each Common Share held by the Resident Holder.

Other Dispositions of Subscription Receipts

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

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

Pro Rata Share of Interest

If the Termination Time occurs, holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their pro rata entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any.

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year the amount of any such interest accrued to the Resident Holder on the Escrowed Funds to the end of the Resident Holder's taxation year, or that is receivable or received by the Resident Holder before the end of that taxation year, except to the extent that any such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder that is entitled to receive its pro rata share of accrued interest, if any, will be required to include in computing income for a taxation year such interest that is receivable or received by the Resident Holder in that taxation year, depending upon the method regularly followed by the Resident Holder in computing income.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including interest income.

Dividends on Underlying Common Shares

Dividends received or deemed to be received on Underlying Common Shares held by a Resident Holder will be included in the Resident Holder's income for the purposes of the Tax Act.

Such dividends received by a Resident Holder that is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Corporation as "eligible dividends". There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends". Taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders who are individuals should consult their own tax advisors in this regard.

A Resident Holder that is a corporation will include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income. A Resident Holder that is a "private corporation" or "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Underlying Common Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend (other than, generally, any portion thereof that is subject to non-refunded Part IV tax) received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

Disposition of Underlying Common Shares

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

Taxation of Capital Gains and Capital Losses

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

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of an Underlying Common Share may be reduced by the amount of dividends received or deemed to be received by it on such Underlying Common Share (or on a share for which such Underlying Common Share has been substituted) to the extent and under the circumstances described by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Underlying Common Shares, directly or indirectly, through a partnership or a trust.

A Resident Holder that is, throughout the relevant taxation year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax on certain investment income, including taxable capital gains.

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

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, the Securities in carrying on a business in Canada (a "**Non-Resident Holder**"). This portion of the summary is also not applicable to a Non-Resident Holder: (i) that is an insurer carrying on an insurance business in Canada and elsewhere; (ii) that is an "authorized foreign bank" as defined in the Tax Act; or (iii) that is, or does not deal at arm's length with, a "specified shareholder" (as defined in subsection 18(5) of the Tax Act) of the Corporation. A "specified shareholder" for purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for the purposes of the Tax Act) owns or has the right to acquire or control 25% or more of the Corporation's shares determined on a votes or fair market value basis. Prospective holders of Subscription Receipts who are not resident in Canada should consult their own tax advisors with respect to their particular circumstances in their country of residence.

Acquisition of Underlying Common Shares pursuant to terms of the Subscription Receipts

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

Other Dispositions of Subscription Receipts

On a disposition or deemed disposition of a Subscription Receipt (other than on the acquisition of an Underlying Common Share pursuant to the terms of Subscription Receipts as discussed above), a Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder, unless the Subscription Receipt constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the holder is not entitled to relief under an applicable income tax convention.

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

Pro Rata Share of Interest

If the Termination Time occurs, holders of Subscription Receipts shall receive an amount equal to the full subscription price attributable to the Subscription Receipts and their pro rata entitlement to interest or other income earned on such amount from the Closing Date up to and including the Termination Time, if any.

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

Disposition of Underlying Common Shares

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

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

Dividends on Underlying Common Shares

Any dividends paid or credited, or deemed to be paid or credited, on the Underlying Common Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend unless the rate is reduced under the provisions of an applicable income tax treaty. For example, where the Non-Resident Holder is a resident of the United States that is entitled to full benefits under the *Canada-United States Income Tax Convention (1980)*, as amended, and is the beneficial owner of the dividends, the rate of Canadian withholding tax applicable to dividends is generally reduced to 15%.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, based on the current provisions of the Tax Act, the Subscription Receipts and the Underlying Common Shares would, if issued on the date hereof, be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered education savings plan ("**RESP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered disability savings plan ("**RDSP**") or tax-free savings account ("**TFSA**"), each as defined in the Tax Act (each, a "**Deferred Plan**") provided that at the time of acquisition by a Deferred Plan: (i) in the case of Underlying Common Shares, such shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the TSXV) or the Corporation is a "public corporation" as defined in the Tax Act; (ii) in the case of the Subscription Receipts either: (A) the Subscription Receipts are listed on a designated stock exchange; or (B) the Underlying Common Shares are listed on a designated stock exchange; (iii) the Corporation is not, and deals at arm's length (within the meaning of the Tax Act) with each person who is, an annuitant, a beneficiary, an employer, a subscriber or a holder under the particular Deferred Plan; and (iv) the Escrowed Funds are invested in one or more "qualified investments" (as defined in the Tax Act) for Deferred Plans.

Notwithstanding the foregoing, if the Subscription Receipts or the Underlying Common Shares are a "prohibited investment" within the meaning of the Tax Act for a particular RRSP, RRIF, RESP, RDSP or TFSA (each, a "**Registered Plan**"), the annuitant, subscriber or holder of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Subscription Receipts and the Underlying Common Shares will generally not be a "prohibited investment" for a Registered Plan unless the annuitant, subscriber or holder, as applicable, of the Registered Plan: (i) does not deal at arm's length with the Corporation for purposes of the Tax Act; or (ii) has a "significant interest" (within the meaning of the Tax Act) in the Corporation. .

Prospective purchasers who intend to hold the Subscription Receipts and the Underlying Common Shares issued pursuant to the Subscription Receipts in a Deferred Plan should consult their own tax

advisors as to whether the Subscription Receipts and the Underlying Common Shares will be prohibited investments in their particular circumstances.

RISK FACTORS

An investment in the Subscription Receipts and the Underlying Common Shares issuable pursuant to the Subscription Receipts involves a number of risks. Before investing, prospective purchasers of Subscription Receipts 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 or incorporated by reference in this short form prospectus, including those risk factors set forth under the heading "*Risk Factors*" at pages 23 through 37, inclusive, of the AIF, and those risk factors set forth under the heading "*Risks and Uncertainties*" in each of the Interim MD&A and the Annual MD&A, which are incorporated by reference herein.

Possible Failure to Realize Anticipated Benefits of the Acquisitions

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

Possible Failure to Complete the Acquisitions and the Non-Brokered Offering

The Acquisitions are subject to the satisfaction of the conditions set forth in the Inception Acquisition Agreement, the Simonette Acquisition Agreement and the Willesden Green Acquisition Agreement and summarized herein, as well as normal commercial risk that the Acquisitions may not be completed on the terms negotiated or at all. The Non-Brokered Offering is also subject to the satisfaction of the conditions set forth in the Subscription Agreements, as well as normal commercial risk that the Non-Brokered Offering may not be completed on the terms negotiated or at all. If closing of the Inception Acquisition and the Non-Brokered Offering do not take place by the Deadline, the Escrow Agent will repay to holders of Subscription Receipts an amount equal to the issue price therefore plus a *pro rata* share of the interest earned on the Escrowed Funds, if any. In that case, the total return that a purchaser of Subscription Receipts would be entitled to receive would be limited to the purchaser's *pro rata* share of interest earned on the subscription price for such purchaser's Subscription Receipts, if any. The purchaser would not be entitled to participate in any growth in the trading price of the Common Shares. Further, the purchaser would be restricted from using the funds devoted to the acquisition of the Subscription Receipts for any other investment opportunities until the Escrowed Funds are returned to the purchaser. The completion of the Simonette Acquisition and the Willesden Green Acquisition are not Escrow Release Conditions, and as such, the Underlying Common Shares may be issued to the holders of Subscription Receipts, and the Escrow Agent may release the Escrowed Funds and the interest earned thereon, if any (less the remaining portion of the Underwriting Fee, including the interest earned thereon, if any) to the Corporation, notwithstanding that the Simonette Acquisition or the Willesden Green Acquisition may not have closed. See "*Recent Developments*".

Potential Undisclosed Liabilities Associated with the Acquisitions

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

Information Provided by Inception and the Vendors

All information relating to the Acquired Assets in this short form prospectus (other than the Inception Reserves Report and the Simonette Reserves Report, which were prepared by Sproule and GLJ Ltd., respectively) is based on information provided by Inception or the Vendors, as applicable, to the Corporation in accordance with the terms of the Inception Acquisition Agreement, the Simonette Acquisition Agreement or the Willesden Green Acquisition Agreement, as applicable. Although the Corporation has conducted what it believes to be a prudent and thorough level of investigation in connection with the Acquisitions, an unavoidable level of risk remains regarding the accuracy and completeness of such information.

Acquisitions Require Engineering, Title, Environmental and Economic Assessments that may be Materially Incorrect

Acquisitions of oil and natural gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the Corporation's control. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Although title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Corporation's title to certain assets or that environmental defects or deficiencies do not exist.

The Reserves Reports were prepared for Inception or the Simonette Vendor, as applicable, and the Corporation is unable to assess procedures used for providing information to Sproule or GLJ Ltd., as applicable, or for assembling and reporting other information to Sproule or GLJ Ltd., as applicable, associated with the Inception Assets or the Simonette Assets.

Operational, Environmental and Reserves Risks Relating to the Acquisitions

The risk factors set forth in the AIF and in this short form prospectus relating to the oil and natural gas business, environmental and Spartan's operations and reserves apply equally in respect of the Acquired Assets.

Use of Proceeds

As set out under "*Use of Proceeds*", Spartan intends to use the net proceeds from the Offering to reduce the Corporation's indebtedness under the Credit Facilities, with the balance currently anticipated to be used to fund the Corporation's drilling and capital spending program, for future acquisitions and for general working capital purposes. Although this allocation is based on the current expectations of Spartan, there may be circumstances where a reallocation of funds may be necessary as may be determined at the Corporation's discretion and there can be no assurance as of the date of this short form prospectus as to how those funds may be reallocated. Further, the Simonette Acquisition and the Willesden Green Acquisition and the Offering are not mutually contingent and there is normal commercial risk that the Simonette Acquisition or the Willesden Green Acquisition may not be completed on the terms negotiated, or at all. If the Simonette Acquisition or the Willesden Green Acquisition do not take place, Spartan intends to reallocate the net proceeds as set out under the heading "*Use of Proceeds*". Accordingly, the Corporation has discretion as to the use of the net proceeds of the Offering, and there can be no assurance as to how the net proceeds will be allocated.

Completion of Offering

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

Completion of the Non-Brokered Offering

Although the Corporation has entered into the Subscription Agreements with the Investors, there is no guarantee that all of the conditions to the completion of the Non-Brokered Offering will be satisfied, which could result in the non-completion of the Non-Brokered Offering and the failure of the Corporation to satisfy the Escrow Release Conditions. In addition, completion of the Non-Brokered Offering is subject to the satisfaction of certain conditions, including receipt of TSXV approval. Failure to complete the Non-Brokered Offering may impact the Corporation's ability to fund its capital expenditure program in the future which may have a material adverse affect on the market price and value of the Common Shares and on the financial condition of the Corporation.

Dilutive Effect

The issuance of the Common Shares and Flow-Through Shares pursuant to the Non-Brokered Offering, if completed, will have an immediate dilutive effect on the ownership interest in the Corporation of subscribers participating in the Offering who receive Common Shares upon satisfaction of the Escrow Release Conditions.

Credit Facilities Risk

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

The Corporation's borrowing base is determined and re-determined by the Lenders based on the Corporation's reserves, commodity prices, applicable discount rate and other factors as determined by the Corporation's lenders. A material decline in commodity prices could reduce the Corporation's borrowing base, therefore reducing the funds available to the Corporation under the Credit Facilities which could result in a portion, or all, of the Corporation's bank indebtedness being required to be repaid.

Additional Indebtedness

Upon closing of the Inception Acquisition, Spartan will issue the Spartan Note. In addition, the Simonette Acquisition and the Willesden Green Acquisition will be funded by draws under the Credit Facilities. Any additional indebtedness incurred by the Corporation under the Credit Facilities will increase the amount of interest payable by the Corporation from time to time until such indebtedness is repaid, which will represent an increase in the Corporation's interest costs and a potential reduction in the Corporation's net income. The Corporation may also need to find additional sources of financing to repay any such additional indebtedness when it becomes due.

There can be no guarantee that the Corporation will be able to obtain financing on terms acceptable to it or at all at such time.

Transaction and Related Costs

The Corporation expects to incur a number of costs associated with completing the Acquisitions and integrating the Acquired Assets. Most of such costs will consist of transaction costs related to the Acquisitions, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the Acquired Assets into the Corporation's business.

Subscription Receipt Structure

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

Effect of Commodity Prices on Operational and Financial Results

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

Volatility of Market Price of Common Shares

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

Market for Securities

The Corporation has applied to list the Subscription Receipts and the Underlying Common Shares on the TSXV. Such listing will be subject to the Corporation fulfilling all of the listing requirements of the TSXV. However, there is currently no market through which the Subscription Receipts may be sold and there is no guarantee that an active trading market will develop. Accordingly, purchasers may not be able to resell the Subscription Receipts distributed under this short form prospectus. This may affect the pricing of the Subscription Receipts in the secondary market, the transparency and the availability of trading prices and the liquidity of the securities. There can be no assurance that an active trading market will develop for the Subscription Receipts after the Offering, or if developed, that such a market will be sustained at the price level of the Offering.

Effect of COVID-19 and Other Infectious Disease, Pandemic or a Similar Health Threat

An outbreak of infectious disease, a pandemic or a similar public health threat, such as the recent outbreak of a novel strain of coronavirus, COVID-19, or a fear of any of the foregoing, could adversely impact the Corporation by causing operating, supply chain and project development delays, disruptions and challenges, labour shortages and challenges and shutdowns (including as a result of government regulation and prevention measures), and increased costs to the Corporation. In addition, the recent COVID-19 outbreak and prevention measures related thereto may have an impact on the economic activity in the markets in which the Corporation and its subsidiaries operate, causing negative impacts on the Corporation's business and financial results. See "*Results of Operations*" and "*Significant Estimates and Judgements*" in the Interim MD&A. Given the unprecedented and changing developments surrounding the COVID-19 pandemic, it is not possible to reliably estimate the impact of the COVID-19 pandemic on the financial results and condition of the Corporation in future periods, but the impact could be significantly adverse.

U.S. Administration

The recent changes in control of the U.S. Congress and the election of President Biden may result in legislative and regulatory changes that could have an adverse effect on the Corporation. In particular, there is uncertainty regarding U.S. support for existing treaty and trade relationships with other countries, including Canada, as evidenced by President Biden's executive order on January 20, 2021 revoking the permit for the Keystone XL Pipeline. Implementation by the U.S. government of new legislative or regulatory policies could impose additional costs on the Corporation, decrease U.S. demand for the Corporation's products, or otherwise negatively impact the Corporation, which may have a material adverse effect on the Corporation's business, financial condition and operations. In addition, this uncertainty may adversely impact: (i) the ability of companies to transact business with companies such as the Corporation; (ii) the Corporation's profitability; (iii) regulation affecting the Canadian oil and gas industry; (iv) global stock markets (including the TSXV); and (v) general global economic conditions. All of these factors are outside of Spartan's control, but may nonetheless lead the Corporation to adjust its strategy in order to compete effectively in global markets.

Forward-Looking Statements and FOFI may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information included in this short form prospectus or the documents incorporated by reference in this short form prospectus, including the forward-looking information under "*Recent Developments*". By their nature, forward-looking information and FOFI involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information and/or FOFI or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the FOFI presented in this short form prospectus is based upon the completion of the Acquisitions, the Non-Brokered Offering and the Offering, and if any of these transactions are not completed or not completed on the terms or timelines contemplated, this will impact the forward-looking FOFI provided herein and such impact may be material. See "*Special Note Regarding Forward-Looking Statements*".

Impact of Future Financings

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

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Stikeman Elliott LLP, on behalf of the Corporation, and by Burnet, Duckworth & Palmer LLP on behalf of the Underwriters. Based on securityholdings as of February 22, 2021, the partners and associates of Stikeman Elliott LLP, as a group, own, directly or

indirectly, less than 1% of the outstanding Common Shares and the partners and associates of Burnet, Duckworth & Palmer LLP, as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares. In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation except as disclosed under "*Directors and Officers*" in the AIF.

Certain reserve estimates in this short form prospectus and incorporated by reference in this short form prospectus are derived from the Reserve Reports prepared by Sproule and GLJ Ltd. In addition, InSite Petroleum Consultants Ltd. ("**InSite**") was the independent engineer with respect to the reserves report included in the Bellatrix Business Acquisition Report incorporated by reference herein. As of the date hereof, neither Sproule, GLJ Ltd., InSite, nor the partners of Sproule, GLJ Ltd. or InSite, beneficially own, directly or indirectly, any Common Shares.

PricewaterhouseCoopers LLP is the current auditor of the Corporation and were the auditors of the operating statements included in the Bellatrix Business Acquisition Report incorporated by reference herein, and has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta. MNP LLP is the previous auditor of the Corporation and has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

STATUTORY AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

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

In addition, under the Subscription Receipt Agreement, original purchasers of Subscription Receipts will have a contractual right of rescission against the Corporation both prior to and following the issuance of the Underlying Common Shares issued pursuant to the Subscription Receipts to such purchasers to receive the amount paid for the Subscription Receipts if this short form prospectus (including the documents incorporated by reference herein) and any amendment contains a misrepresentation or is not delivered to such purchaser, provided such remedy for rescission is exercised within 180 days of closing of the Offering.

CERTIFICATE OF THE CORPORATION

Dated: February 22, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of Canada, except Québec.

SPARTAN DELTA CORP.

(signed) "*Fotis Kalantzis*"
President and Chief Executive Officer

(signed) "*Geri Greenall*"
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF SPARTAN DELTA CORP.

(signed) "*Richard F. McHardy*"
Director

(signed) "*Donald Archibald*"
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: February 22, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of Canada, except Québec.

NATIONAL BANK FINANCIAL INC.

(signed) "*Arun Chandrasekaran*"

EIGHT CAPITAL

(signed) "*Tony P. Loria*"

STIFEL NICOLAUS CANADA INC.

(signed) "*Nicholas J. Johnson*"

TD SECURITIES INC.

(signed) "*Scott Barron*"

SCOTIA CAPITAL INC.

(signed) "*David Baboneau*"

PETERS & CO. LIMITED

(signed) "*Cameron Plewes*"