A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada 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. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws and in accordance with the Underwriting Agreement (as defined herein). This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby 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 secretary of Topaz Energy Corp., at Suite 2900, 250 6th Avenue SW, Calgary, Alberta T2P 3H7 (telephone (587) 747-4830) and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue May 25, 2021

Topaz Energy Corp.

$175,004,250
12,281,000 Common Shares

Topaz Energy Corp. ("**Topaz**" or the "**Company**") is a unique royalty and energy infrastructure company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders, through its strategic relationship with one of Canada's largest natural gas producers, Tourmaline Oil Corp. ("**Tourmaline**"), an investment grade senior Canadian exploration and production company, and leveraging industry relationships to execute complementary acquisitions from other high-quality energy companies, while maintaining its commitment to environmental, social and governance best practices.

The Topaz royalty and energy infrastructure revenue streams are generated primarily from assets operated by natural gas producers with some of the lowest green house gas emissions intensity in the Canadian senior upstream sector, including Tourmaline, which has received awards for environmental sustainability and conservation efforts. Certain of these producers have set long-term emissions reduction targets and continue to invest in green technology to improve environmental sustainability.

The Company is offering for sale an aggregate of 12,281,000 common shares (the "**Common Shares**") in the capital of the Company for gross proceeds of $175,004,250 (the "**Offering**") at a price of $14.25 per Common Share (the

"Offering Price"). If the Over-Allotment Option (as defined below) is exercised in full an additional 1,842,150 Common Shares will be sold by the Company. See "*Plan of Distribution*".

The issued and outstanding Common Shares are listed on the Toronto Stock Exchange (the "**TSX**") under the trading symbol "TPZ". On May 17, 2021, the last trading day before the public announcement of the Offering, the closing price of the Common Shares on the TSX was $14.80 and on May 21, 2021, the last trading day before the filing of this short form prospectus, the closing price of the Common Shares on the TSX was $14.74. The Company has applied to list the Common Shares, including the Common Shares issuable on exercise of the Over-Allotment Option (as defined below), distributed under this short form prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX. See "*Plan of Distribution*".

The Offering is being underwritten by Peters & Co. Limited and BMO Nesbitt Burns Inc. (together, the "**Lead Underwriters**"), Scotia Capital Inc., National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Stifel Nicolaus Canada Inc., TD Securities Inc., ATB Capital Markets Inc., Desjardins Securities Inc., Canaccord Genuity Corp., iA Private Wealth Inc., Raymond James Ltd., and Tudor, Pickering, Holt & Co. Securities – Canada, ULC (collectively with the Lead Underwriters, the "**Underwriters**"). See "*Plan of Distribution*".

Price: $14.25 per Common Share

	Price to the Public(1)	Underwriters' Commissions	Net Proceeds to the Company(2)
Per Common Share……………………	$14.25	$0.57	$13.68
Total Offering(3)(4).................................	$175,004,250	$7,000,170	$168,004,080

Notes:

(1) The Offering Price has been determined by negotiation between the Company and the Underwriters.

(2) After deducting the Underwriters' Commissions payable by the Company but before deducting the expenses of the Offering. The expenses of the Offering are estimated to be approximately $500,000 and will be paid by the Company out of the proceeds of the Offering. See "*Use of Proceeds*".

(3) Assumes no exercise of the Over-Allotment Option.

(4) The Company has agreed to grant to the Underwriters an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days (the "**Over-Allotment Option**") from the closing of the Offering (the "**Closing**"), to purchase up to an additional 1,842,150 Shares (the "**Over-Allotment Shares**"), representing 15% of the aggregate number of Common Shares sold under the Offering. The Over-Allotment Shares will be sold on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total "*Price to the Public*", "*Underwriters' Commissions*" and "*Net Proceeds to the Company*" will be $201,254,888, $8,050,195.50 and $193,204,692, respectively. This short form prospectus qualifies the distribution of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those securities under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over- Allotment Option or secondary market purchases. See "*Plan of Distribution*".

The following table sets out the number of Common Shares that may be issued to the Underwriters pursuant to the exercise of the Over- Allotment Option.

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price ($)
Over-Allotment Option…………………………	1,842,150 Common Shares	Up to 30 days following Closing	$14.25 per Common Share

Unless otherwise indicated, all information in this short form prospectus assumes that the Over-Allotment Option will not be exercised.

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize, maintain or otherwise affect the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. **The Underwriters may offer the Common Shares at a price lower than that stated above. Any such reduction in price will not affect the proceeds received by the Company. See "*Plan of Distribution*".**

The Underwriters, as principals, conditionally offer the Common Shares offered under this short form prospectus, subject to prior sale, if, as and when sold and delivered by the Company, to, and accepted by, the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters on behalf of the Company by Burnet, Duckworth & Palmer LLP and on behalf of the Underwriters by Torys LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that Closing will occur on or about June 8, 2021 or such later date as the Company and the Lead Underwriters may agree, but in any event the Common Shares offered under this short form prospectus are to 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.

Except in certain limited circumstances, no certificates representing Common Shares will be issued to purchasers in the Offering. Instead, on the date of Closing, the purchasers of Common Shares will have their securities registered in the name of CDS Clearing and Depository Services Inc. or its nominee ("**CDS**") and electronically deposited with CDS. Purchasers of Common Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Common Shares is acquired.

An investment in the Common Shares is speculative and is subject to a number of risks that should be considered by a prospective investor. The Company's business is subject to certain of the risks normally encountered in the oil and natural gas industry and the risks associated with royalty interests and energy infrastructure assets in particular. See "*Risk Factors*".

A return on an investment in the Common Shares is not comparable to the return on an investment in a fixed-income security. The recovery by shareholders of their initial investment is at risk, and the anticipated return on that investment is based on many performance assumptions. Although the Company intends to pay quarterly dividends to shareholders of the majority of its free cash flow, those cash dividends may be reduced or suspended. The actual amount of cash distributed to shareholders, if any, will depend on numerous factors including: (i) the earnings of the Company; (ii) financial requirements for the Company's operations; (iii) the satisfaction by the Company of liquidity and solvency tests in the *Business Corporations Act* (Alberta) (the "ABCA"); and (iv) any agreements relating to the Company's indebtedness that restrict the declaration and payment of dividends. The payment of dividends is not guaranteed and the amount and timing of any dividends payable is at the discretion of the Board of Directors (the "Board"). In addition, the market value of the Common Shares may decline if the Company is unable to meet its target cash dividend in the future, which decline may be significant. See "*Risk Factors*".

It is important for purchasers of Common Shares to consider the particular risk factors that may affect the industry in which they are investing and, therefore, the stability of the dividends that shareholders receive. See, for example, "*Risk Factors — Risks Relating to the Company's Business, Industry and Operating Environment*" in the AIF.

Each of BMO Nesbitt Burns Inc., Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., TD Securities Inc. and ATB Capital Markets Inc. is, directly or indirectly, an affiliate of a lender to the Company. In addition, a director of the Company is a director of an affiliate of ATB Capital Markets Inc. Consequently, under applicable Canadian Securities Laws (as defined herein), and the Company may be considered to be a connected issuer to such Underwriters. See "*Relationships Among the Company and Certain Underwriters*".

In addition to the Offering, the Company intends to issue to certain directors, officers and employees of the Company and their associates, on a private placement basis, concurrent with the closing of the Offering, an aggregate of up to 211,000 Common Shares at a price of $14.25 per Common Share (the "**Concurrent Private Placement**"). No commission is payable to the Underwriters in connection with the Concurrent Private Placement. See "*Recent Developments – Concurrent Private Placement*". The aggregate gross proceeds from the Offering (assuming full exercise of the Over-Allotment Option) and the Concurrent Private Placement will be approximately $204,261,638.

Topaz is incorporated under the ABCA and the head office of the Company is located at Suite 2900, 250 6th Avenue SW, Calgary, Alberta T2P 3H7 and registered office of the Company is located at Suite 2400, 525 8th Avenue SW, Calgary, Alberta T2P 1G1.

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IMPORTANT ADVISORY

A prospective investor should read this entire prospectus and the documents incorporated by reference and consult the prospective investor's own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment in the Common Shares.

A prospective investor should rely only on the information contained in or incorporated by reference in this short form prospectus. None of the Company or any of the Underwriters has authorized anyone to provide investors with additional or different information.

None of the Company or any of the Underwriters is offering to sell the Common Shares in any jurisdiction where an offer or sale is not permitted. Unless otherwise stated, the information contained in this short form prospectus is accurate only as of the date of this short form prospectus, regardless of the time of delivery of this short form prospectus or any sale of the Common Shares. It should be assumed that the information appearing in this short form prospectus and the documents incorporated herein by reference are accurate only as of their respective dates. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

Prospective investors are urged to carefully read the information under the headings "Notice to Investors" and "Risk Factors" in this short form prospectus and in the AIF.

PRESENTATION OF INFORMATION

Words importing the singular include the plural and vice versa and words importing any gender include all genders. A reference to an agreement means the agreement, as it may be amended, supplemented or restated from time to time.

Unless otherwise indicated, all references to "$" or "dollars" refer to Canadian dollars and all references to "US$" or "U.S. dollars" refer to United States dollars.

Figures, columns and rows presented in tables provided in this short form prospectus may not add due to rounding.

Unless otherwise indicated or the context otherwise requires, information contained in this short form prospectus assumes that the Over-Allotment Option has not been exercised.

All references in this short form prospectus to management are to the persons who are identified in this short form prospectus as the executive officers of the Company. See "*Directors and Executive Officers*" in the AIF. All statements in this short form prospectus made by or on behalf of management are made in such persons' capacities as executive officers of the Company and not in their personal capacities.

ELIGIBILITY FOR INVESTMENT

In the opinion of Burnet, Duckworth & Palmer LLP, counsel to the Company, and Torys LLP, counsel to the Underwriters, based on the current provisions of the Tax Act, and subject to the provisions of any particular plan, provided that the Common Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the TSX), the Common Shares will, at the time of Closing, be a "qualified investment" under the Tax Act for a trust governed by a registered retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), a deferred profit sharing plan, a registered education savings plan ("**RESP**"), a registered disability savings plan ("**RDSP**") and a tax free savings account ("**TFSA**").

Notwithstanding that the Common Shares may be a qualified investment, if a common share is a "prohibited investment" for a RRSP, RRIF, RESP, RDSP or TFSA (each a "**Registered Plan**"), the annuitant under the RRSP or RRIF, the subscriber of the RESP, or the holder of the RDSP or TFSA (as applicable) (each a "**Controlling Individual**") may be subject to a penalty tax under the Tax Act. A common share will not be a "prohibited investment" in respect of a Registered Plan provided that the Controlling Individual: (i) deals at arm's length with the Company for purposes of the Tax Act and (ii) does not have a "significant interest" in the Company (within the meaning of the Tax Act). In addition, a common share will generally not be a "prohibited investment" for a Registered Plan if the common share is an "excluded property" (as defined in the Tax Act) for such Registered Plan. Controlling Individuals should consult with their own tax advisors regarding whether common shares would be prohibited investments.

NOTICE TO INVESTORS

About this Prospectus

Prospective investors are urged to carefully read the information under this heading and under the headings "Important Advisory", "Presentation of Information" and "Risk Factors" in this short form prospectus and "Risk Factors" in the AIF.

For an explanation of certain terms and abbreviations used in this short form prospectus and not otherwise defined, reference is made to "*Schedule "B" – Abbreviations and Conversions*" to the AIF.

In this short form prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars.

Forward-Looking Statements

This short form prospectus and the documents incorporated by reference herein contain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") that relate to the Company's current expectations and views of future events. The forward-looking statements are contained principally in the sections of this short form prospectus entitled "*Topaz Energy Corp.*", "*Recent Developments*", "*Use of Proceeds*" and "*Risk Factors*". These forward-looking statements relate to future events or the Company's future performance. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "believes", "estimated", "intends", "plans", "forecast", "projection", "strategy", "objective" and "outlook") are not historical facts and may be forward-looking statements and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this short form prospectus or incorporated by reference herein should not be unduly relied upon. These statements speak only as of the date of this short form prospectus. In addition, this short form prospectus and the documents incorporated by reference herein may contain forward-looking statements attributed to third-party industry sources. Accordingly, any such statements are qualified in their entirety by reference to, and are accompanied by, the information and factors discussed throughout this short form prospectus or in the documents incorporated by reference herein.

In particular and without limitation, this short form prospectus and the documents incorporated by reference herein contains forward-looking statements pertaining to the following: the benefits to be derived from the Strategic Acquisitions (as defined herein); the timing for the completion of the NEBC Montney Acquisition (as defined herein); the future dividend increase and targeted payout ratio levels; the Company's objective of generating free cash flow growth at a relatively low-risk and low cost to the Company, and the proposed manner of achieving this objective; the estimated amount of free cash flow of the Company (including the components thereof and potential future increases in the amount of free cash flow) and the related anticipated payout ratio of the Company; the long-term impact of COVID-19 on the Company's business, financial position and results of operations; the completion and size of the Offering and the Concurrent Private Placement and use of proceeds of the Offering not being specified with certainty; the Company's dividend policy, the funding of such dividends, the amounts expected to be paid under that policy currently and in the future and the anticipated timing of payment of such dividends; the Company's business and growth strategy and anticipated sources of future income and the possibility that the Board may vary that strategy in the future; the expectation that the Company will be able to grow its revenue, actively maintain and manage its Royalty Assets and Infrastructure Assets (as such terms are defined in the AIF) and achieve external growth by selectively pursuing strategic business development opportunities; the expectation that the Company's counterparties will continue to develop its Royalty Assets; the estimated volumes and future net revenues related to the Company's crude oil, natural gas and natural gas liquids ("**NGL**") reserves and expectations regarding the ability of the Company to add to reserves through third-party development activities and acquisitions undertaken by the Company; projected crude oil and conventional natural gas production levels and certain costs and expenses associated with the Royalty Assets and the Infrastructure Assets; projected financial and crude oil and conventional natural gas production information associated with the GORR Lands (as defined in the AIF); the amount and timing of anticipated royalty payments to be received from Tourmaline in respect of the Tourmaline GORR Lands and that revenues from the Tourmaline GORR Lands will provide a significant portion of the Company's revenue; the amount and timing of anticipated payments of Processing Revenue and Other Income (as such terms are defined in the AIF) to be received from Tourmaline and other counterparties in respect of the Infrastructure Assets and that revenues from the Infrastructure Assets will provide a significant portion of the Company's revenue; the performance and creditworthiness of the Company's counterparties including the counterparties to the various agreements Topaz has entered into; the anticipation that there will be no operating costs, capital costs, environmental liabilities or reclamation obligations associated with crude oil and conventional natural gas development incurred by the Company on the Tourmaline GORR Lands; the performance and characteristics of the Royalty Assets; that third-party development activity on the Royalty Assets is anticipated to provide continued new sources of crude oil and conventional natural gas royalty revenue for the Company in future years, with new wells and production therefrom reducing the rate at which production and royalty revenue would otherwise decline; plans for and timing of the development of the reserves and undeveloped lands associated with the Royalty Assets; the timing and amount of capital expenditure programs and well drilling activity by third parties on the Royalty Assets; the volume of natural gas delivered pursuant to variable processing fee commercial agreements associated with the Infrastructure Assets; the volume of natural gas and crude oil processed and handled, and the amount of revenue generated in connection with the contracted interest for the Other Income; utilization rates and throughputs of the Infrastructure Assets; operational matters, including potential hazards inherent in the Company's operations and the effectiveness of third-party health, safety, environmental and integrity programs; decommissioning, abandonment and reclamation costs; anticipated future crude oil, natural gas and NGL prices and currency, exchange and interest rates; supply and demand for crude oil and conventional natural gas; the tax horizon and taxability of the Company; treatment under governmental regulatory regimes, environmental legislation and tax laws; and the amount expected to be drawn by the Company under the Syndicated Credit Facility (as defined herein) on Closing.

With respect to forward-looking statements contained in this short form prospectus, assumptions have been made regarding, among other things: the ability of the working interest owners on the Royalty Assets including Tourmaline to maintain or increase production and reserves from these properties; the ability and willingness of the Company's counterparties with respect to the Royalty Assets and the Infrastructure Assets to comply with, and the Company to enforce, contractual provisions in order to receive payments in respect of the Royalty Assets and the Infrastructure Assets; the ability of the working interest owners on the Royalty Assets and the operators of the Infrastructure Asset to operate in a safe, efficient and effective manner; the timely receipt of any required regulatory approvals by the working interest owners of the Royalty Assets and the operators of the Infrastructure Assets; the willingness and financial capability of the working interest owners on the Royalty Assets to continue to develop and invest additional capital in the Royalty Assets and to obtain financing on acceptable terms, or at all, to fund capital expenditures; field production rates, decline rates and the well performance and characteristics of the Royalty Assets; the ability to replace and increase crude oil, natural gas and NGL reserves and production associated with the GORR Lands (as defined in the AIF) through acquisitions and third-party development; the timing, cost and ability of third parties to access, maintain or expand necessary facilities and/or secure adequate product transportation and storage; for royalty payments taken-in-kind by the Company, if any, the ability of the Company or a third- party marketer to successfully market the Company's in-kind crude oil and conventional natural gas products; surface rights access being granted to third parties on the GORR Lands; the level of costs and expenses to be incurred by the Company, including with respect to interest, general and administrative expenses and income tax expenses; the ability of the Company to obtain and retain qualified staff, equipment and services in a timely and cost efficient manner; the absence of any material litigation or claims against the Company; the general stability of the economic and political environment and the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company has an interest in oil and natural gas properties; and future crude oil, natural gas and NGL prices and currency, exchange and interest rates.

The information in this short form prospectus, including the Company's actual results, could differ materially from those anticipated in the forward-looking statements as a result of the risk factors set forth below and included elsewhere in this short form prospectus: the GORR Lands will not be developed by third parties in the manner anticipated by the Company; non-compliance with contract terms or payment or delivery delinquencies in respect of the Royalty Assets or the Infrastructure Assets, including the credit risk associated with such third parties; volatility in the demand, supply and market prices for crude oil, natural gas and NGL; risks of health epidemics, pandemics and similar outbreaks, including COVID-19, which may have sustained material adverse effects on the Company's business, financial position, results of operations and/or free cash flows; long-term reliance on third parties as operators and working interest owners on the GORR Lands and co-owners and operators of the Infrastructure Assets as well as to provide necessary services to the Company; liabilities inherent in crude oil and conventional natural gas operations and the processing of conventional natural gas and NGL; uncertainties associated with estimating crude oil, natural gas and NGL reserves and future production levels; increased costs incurred by the Company or the working interest owners on the GORR Lands; competition for, among other things, third-party capital and acquisitions of additional assets; incorrect assessments of the value of future acquisitions; risks related to the environment and changing environmental laws in relation to the operations conducted on the GORR Lands and the Infrastructure Assets; geological, technical, drilling, processing and handling issues associated with crude oil and conventional natural gas development activities by third parties; risks arising from co-ownership of facilities including reliance on third-party operators; changes in the performance or creditworthiness of counterparties; risks and liabilities associated with the processing and handling of dangerous goods; climate change risks, including the effects of unusual weather and natural catastrophes; regulatory and market compliance and other costs associated with climate change; reputational risks; technology and security risks, including cybersecurity; disruptions in production, including work stoppages or other labour difficulties, or disruptions in the transportation network on which the Company is reliant; technical and processing problems, including the availability of equipment and access to properties; claims made or legal actions brought or realized against the Company or its properties or assets; a failure by the Company to hire or retain key personnel; a decrease or elimination of the payment of dividends by the Company as a result of a Board determination or restrictions under applicable agreements or corporate laws; general economic, market and business conditions; changes in tax or environmental laws or royalty or incentive programs relating to the oil and natural gas industry; and the other factors discussed under "*Risk Factor*s" in the AIF.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements made by or on behalf of the Company, investors should not place undue reliance on any such forward-looking statements. Statements relating to "reserves" are deemed to be forward-looking statements as they involve the implied assessment, based on certain estimates and assumptions,that the reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. Further, any forward-looking statement is made only as of the date of this short form prospectus, and none of the Company or the Underwriters undertake any obligation to update or revise any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by Canadian Securities Laws. New factors emerge from time to time, and it is not possible for the Company to predict all of these factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this short form prospectus are expressly qualified by the foregoing cautionary statements. Investors should read this entire prospectus and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in the Common Shares. See "*Forward-Looking Statements*" in the AIF.

Marketing Materials

The "template version" of the "marketing materials" (as such terms are defined under applicable Canadian securities laws) utilized by the Underwriters in connection with the Offering to be incorporated by reference into the (final) short form prospectus are not part of the (final) 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 the (final) short form prospectus. The template version of the marketing materials filed on SEDAR after the date of the (final) short form prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the template version of the marketing materials) will be deemed to be incorporated by reference into the (final) short form prospectus. In particular, the template version of the term sheet for the Offering dated May 18, 2021 will be incorporated by reference into the (final) short form prospectus.

Non-GAAP Financial Measures

In addition to using financial measures prescribed by International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board ("**IFRS**"), references are made in this short form prospectus to "free cash flow", "cash flow" and "payout ratio" which are measures that do not have any standardized meaning as prescribed by IFRS. Management uses these terms for its own performance measures and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund dividends and a portion of its future growth expenditures or to repay debt. Accordingly, investors are cautioned that the non-GAAP financial measures may not be comparable to similarly defined measures presented by other entities and should not be considered in isolation nor as an alternative to cash from operations or other financial information determined in accordance with GAAP as an indication of the Company's performance. References to "free cash flow" are to the amount of cash estimated to be available for dividends to shareholders in accordance with the dividend policy of the Company. "Free cash flow" is defined as cash flow less capital expenditures. References to "cash flow" are cash from (used in) operations before changes in non-cash working capital. References to "payout ratio" are to cash dividends paid or estimated to be paid by the Company to shareholders divided by cash flow. Free cash flow, cash flow and payout ratio are measures generally used by dividend-paying Canadian entities as indicators of financial performance and capacity. See "*Non-GAAP Financial Measures*" in the Q1 MD&A (as defined herein).

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the Annual Information Form of the Company dated March 17, 2021 for the year ended December 31, 2020 (the "**AIF**");

(b) the audited financial statements of the Company as at and for the years ended December 31, 2020 and 2019, together with the notes thereto and the auditors' report thereon;

(c) the Company's management's discussion and analysis for the years ended December 31, 2020 and 2019;

(d) the unaudited interim condensed financial statements of the Company as at and for the three month periods ended March 31, 2021 and 2020, together with the notes thereto;

(e) the Company's management's discussion and analysis for the three month periods ended March 31, 2021 and 2020 (the "**Q1 MD&A**");

(f) the management information circular of the Company dated May 7, 2021 for the annual meeting of the Company's shareholders to be held on June 23, 2021; and

(g) the Company's material change report dated and filed on May 21, 2021 relating to the Strategic Acquisitions, the Offering and the Concurrent Private Placement (the "**Material Change Report**").

Any documents of the type described in Section 11.1(1) of Form 44-101 – *Short Form Prospectus*, if filed by the Company with the securities commissions or similar authorities in the provinces of Canada after the date of this short form prospectus and before the termination of this distribution, are deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus, or in a document (or part thereof) incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document (or part thereof) which also is, or is deemed to be, incorporated by reference 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. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is

necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

TOPAZ ENERGY CORP.

Topaz is a unique royalty and energy infrastructure company focused on generating free cash flow growth and paying reliable and sustainable dividends to its shareholders, through its strategic relationship with one of Canada's largest natural gas producers, Tourmaline, an investment grade senior Canadian exploration and production company, and leveraging industry relationships to execute complementary acquisitions from other high-quality energy companies, while maintaining its commitment to environmental, social and governance best practices. Additional information on Topaz's business is contained in the AIF under the heading "*The Company's Business*".

RECENT DEVELOPMENTS

Strategic Acquisitions

On May 18, 2021, Topaz entered into a definitive agreement with Tourmaline whereby Topaz agreed to purchase from Tourmaline gross overriding royalty interests and infrastructure assets on approximately 535,000 gross acres in the NEBC Montney and working interest ownership in Tourmaline's Gundy infrastructure which is supported by a ten year fixed take-or-pay commitment for total cash consideration of $245.0 million (the "**NEBC Montney Acquisition**").

On May 18, 2021, Topaz also purchased from Cenovus Energy Inc. ("**Cenovus**") its existing gross overriding royalty interests on approximately 192,000 gross acres in the Marten Hills Clearwater area of Alberta operated by Headwater Exploration Inc. ("**Headwater**") for total cash consideration of $102.0 million (the "**Clearwater Acquisition**").

The NEBC Montney Acquisition and the Clearwater Acquisition are, together, the "**Strategic Acquisitions**".

The aggregate cash consideration payable by Topaz in connection with the Strategic Acquisitions is $347.0 million and will be funded through the proceeds of the Offering and Topaz's existing cash on hand and the Syndicated Credit Facility. See "*Use of Proceeds*".

The NEBC Montney Acquisition is expected to close on or about July 1, 2021. The completion of the NEBC Montney Acquisition is subject to customary closing conditions, including the accuracy of representations and warranties and the performance of covenants.

Neither the NEBC Montney Acquisition nor the Clearwater Acquisition is a "significant acquisition" for the purposes of Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*. In addition, the NEBC Montney Acquisition and the Clearwater Acquisition are not an "acquisition of related businesses" for the purposes of Part 8 of National Instrument 51-102 – *Continuous Disclosure Obligations*.

Further information pertaining to the Strategic Acquisitions including their benefits and strategic rationale are included in the Material Change Report, which is incorporated by reference herein.

Dividend Increase

On May 18, 2021, Topaz announced that it intends to increase its dividend by 5% to $0.84 per share annually, commencing with its third quarter 2021 dividend. This increased dividend represents a 2021 estimated payout ratio within the lower end of Topaz's targeted range of 60-90%.

Concurrent Private Placement

In addition to the Offering, the Company intends to issue to certain of its directors, officers and employees and their associates, on a private placement basis, concurrent with the closing of the Offering, an aggregate of up to 211,000 Common Shares at a price of $14.25 per Common Share for gross proceeds to the Company of up to $3,006,750 (the "**Concurrent Private Placement**"). No commission is payable to the Underwriters in connection with the Concurrent Private Placement. The aggregate gross proceeds from the Offering (assuming full exercise of the Over-Allotment Option) and the Concurrent Private Placement will be approximately $204,261,638. See "*Plan of Distribution*".

Potential Acquisitions and Financings

Topaz continues to evaluate potential acquisitions of all types of royalty and infrastructure related assets and/or companies as part of its ongoing acquisition program. Topaz is regularly in the process of evaluating several potential acquisitions at any one time, which individually or together could be material. As of the date hereof, Topaz has not reached agreement on the price or terms of any potential material acquisition other than as disclosed herein. Topaz cannot predict whether any current or future opportunities will result in one or more acquisitions for Topaz. In addition to the Offering and the Concurrent Private Placement, Topaz may, in the future, complete financings of equity or debt (which may be convertible into equity) for purposes that may include financing of acquisitions, Topaz's operations and capital expenditures and repayment of indebtedness.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Company includes an unlimited number of Common Shares, an unlimited number of First Preferred Shares, issuable in series, and an unlimited number of Second Preferred Shares, issuable in series. As of May 25, 2021, 112,607,280 Common Shares and no First Preferred Shares or Second Preferred Shares were issued and outstanding. A description of the Common Shares is contained in the AIF under the heading "*Description of Capital Structure*", which is incorporated by reference herein.

USE OF PROCEEDS

Topaz expects to receive approximately $167.5 million in net proceeds from the Offering, after deducting the Underwriters' Commissions payable by the Company to the Underwriters in connection with the Offering of approximately $7.0 million and the estimated expenses of the Offering of approximately $500,000. Topaz intends to use the net proceeds from the Offering to fund a portion of the purchase price for the Strategic Acquisitions. See "*Recent Developments – Strategic Acquisitions*" for a description of the assets and the particulars of the purchase price being paid for the assets acquired, or to be acquired, as the case may be, pursuant to the Strategic Acquisitions. In particular, a portion of the net proceeds of the Offering will be used to temporarily reduce bank indebtedness under its $300 million covenant-based, secured, operating credit facility with a syndicate of Canadian banks (the "**Syndicated Credit Facility**"), which will then be available to be redrawn and applied to partially fund the NEBC Montney Acquisition. The Company's current indebtedness under the Syndicated Credit Facility was incurred in the normal course of business and operations and in connection with the completion of the Clearwater Acquisition. In the event that the NEBC Montney Acquisition does not close, the net proceeds from the Offering will be used for additional royalty and energy infrastructure acquisitions as well as for working capital and general corporate purposes. The closing of the Offering is not conditional on the closing of the NEBC Montney Acquisition. See "*Recent Developments*" and "*Plan of Distribution*".

The use of the net proceeds of the Offering by the Company is consistent with the accomplishment of Topaz's stated business objectives as described under the heading "*Topaz Energy Corp*". See "*Risk Factors*".

CAPITALIZATION

The following table sets out the capitalization of the Company as at March 31, 2021 and the pro forma capitalization of the Company as at March 31, 2021 after giving effect to the Offering and the Concurrent Private Placement. Other than as described below, there has not been any material change in the share and loan capital of the Company, on a consolidated basis, since March 31, 2021. This table should be read in conjunction with the Company's financial statements which are incorporated by reference herein.

Designation	**Authorized**	**As at March 31, 2021 ($000s)**	**As at March 31, 2021 after giving effect to the Offering ($000s)**	**As at March 31, 2021 after giving effect to the Offering and the Concurrent Private Placement and the exercise in full of the Over-Allotment Option ($000s)**
Debt(1)	See Note (1)	Nil	$83,152	$54,701
Share capital	Unlimited	$1,027,860 (2)(3) (112,607,280 Common Shares)	$1,196,921 (2) (4) (124,888,280 Common Shares)	$1,225,552 (2)(4)) (126,941,430 Common Shares)

Notes:

(1) Management anticipates $83.2 million being drawn under the Syndicated Credit Facility immediately after giving effect to the Offering. See "*Notice to Investors — About this Prospectus*" and "*Prior Sales*".

(2) In addition, the Company has granted 2,431,666 options to its executive officers, employees and directors under its share option plan.

(3) As at May 25, 2021, the Company has 112,607,280 Common Shares outstanding.

(4) The amounts included in the table include the estimated net proceeds of the Offering after deducting the estimated expenses of the Offering, and the tax effect of share issue costs, and before and after giving effect to the Concurrent Private Placement and exercise in full of the Over-Allotment Option.

PLAN OF DISTRIBUTION

The Offering consists of 12,281,000 Common Shares. See "*Description of Share Capita*l" for a description of the attributes of the Common Shares.

Under an agreement dated May 18, 2021 between the Company and the Underwriters (the "**Underwriting Agreement**"), the Company has agreed to sell and the Underwriters have severally agreed to purchase on June 8, 2021 or on such other date as may be agreed upon among the parties thereto, 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, an aggregate of 12,281,000 Common Shares, at a price of $14.25 per Common Share, payable in cash to the Company against delivery of the Common Shares, for aggregate gross proceeds of $175.0 million to the Company. In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to $0.57 per Common Share sold pursuant to the Offering, including any Common Shares sold pursuant to the Over-Allotment Option. It is estimated that the total expenses of the Offering, not including the Underwriters' Commissions, will be approximately $500,000. The Underwriter's Commissions are payable on Closing. All such expenses of the Offering will be paid by the Company. The Underwriters may form a selling group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Underwriters out of the Underwriters' Commissions. See "*Recent Developments – Concurrent Private Placement*".

The Offering Price was determined by negotiation between the Company, on the one hand, and the Underwriters, on the other hand.

The Underwriters propose to offer the Common Shares initially at the Offering Price. After the Underwriters have made a reasonable effort to sell all of the Common Shares at the Offering Price, the Offering Price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page. In the event that the Offering Price is reduced, the compensation received by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Company for such Common Shares. Any such reduction in price will not affect the proceeds received by the Company.

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 on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. If an Underwriter fails to purchase the Common Shares which it has agreed to purchase, the remaining Underwriter(s) may terminate their obligation to purchase their allotment of Common Shares, or may, but are not obligated to, purchase the Common Shares not purchased by the Underwriter or Underwriters which fail to purchase. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement. The Underwriting Agreement also provides that the Company will indemnify the Underwriters, their respective affiliates and each of their respective directors, officers, employees, partners, agents and each other person, if any, controlling an Underwriter or any of its subsidiaries and each shareholder of the Underwriter against certain liabilities, claims, actions, complaints, losses, costs, fines, penalties, taxes, interest, damages and expenses.

The Offering is being made in each of the provinces of Canada. The Common Shares offered under this short form prospectus will be offered in each of the provinces of Canada through those Underwriters or their affiliates who are registered to offer such Common Shares for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law and the provisions of the Underwriting Agreement, the Underwriters may offer such Common Shares outside of Canada.

The Company has applied to list the Common Shares, including the Common Shares issuable on exercise of the Over-Allotment Option (as defined below), distributed under this short form prospectus on the TSX. Listing will be subject to the Company fulfilling all of the listing requirements of the TSX.

The Common Shares offered under this short form prospectus have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and may not be offered or sold within the United States absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, except to the extent permitted by the Underwriting Agreement and except for offers and sales made pursuant to an available exemption from the registration requirements of the U.S. Securities Act, the Common Shares to be sold pursuant to the Offering may not be offered or sold within the United States. Each Underwriter has agreed that it will not offer or sell Common Shares within the United States, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Common Shares that they have acquired pursuant to the Underwriting Agreement in the United States to qualified institutional buyers ("**Qualified Institutional Buyers**") in accordance with Rule 144A under the U.S. Securities Act. The Underwriting Agreement also provides that the Underwriters will offer and sell the Common Shares outside the United States in accordance with Regulation S under the U.S. Securities Act. In addition, until 40 days after the Closing, an offer or sale of the Common Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act.

The sale of a substantial amount of the Common Shares in the public market after the Offering, or the perception that such sales may occur, could adversely affect the prevailing market price of the Common Shares. See "*Risk Factors*". Furthermore, because the Company has agreed that it will not offer or sell any equity securities of the Company (or other securities convertible into, or exchangeable or exercisable for, equity securities of the Company) for a period after Closing due to the restrictions on resale described under "*—Standstill*" below, the sale of a substantial amount of

Common Shares in the public market after these restrictions lapse could adversely affect the prevailing market price of the Common Shares.

Subscriptions for Common Shares offered under this short form prospectus will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that Closing will occur on or about June 8, 2021 or such later date as the Company and the Lead Underwriters may agree, but in any event the Common Shares offered under this short form prospectus are to 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. Common Shares sold pursuant to the Offering will be registered in the name of CDS and electronically deposited with CDS on the date of Closing. Purchasers of Common Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Common Shares is acquired.

Over-Allotment Option

The Company has granted to the Underwriters the Over-Allotment Option, exercisable at the Underwriters' sole discretion at any time, in whole or in part, from time to time, until 30 days after Closing, to purchase, at the Offering Price, up to an additional 1,842,150 Common Shares (representing 15% of the Common Shares offered under the Offering) to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the net proceeds to the Company from the Offering will be approximately $192.7 million after deducting the Underwriters' Commissions payable to the Underwriters of $8.1 million and the expenses of the Offering estimated to be approximately $500,000. This short form prospectus also qualifies the distribution of the Common Shares issuable pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those Common Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or otherwise affect the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including: stabilizing transactions; short sales; purchases to cover positions created by short sales; imposition of penalty bids; and syndicate covering transactions.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market or as otherwise permitted by applicable law. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the price at which they may purchase Common Shares through the Over-Allotment Option. The Underwriters must close out any naked short position by purchasing Common Shares in the open market or as otherwise permitted by applicable law. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the TSX, including the Universal Market Integrity

Rules for Canadian Marketplaces, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or as otherwise permitted by applicable law.

Standstill

The Company has agreed that, subject to certain exceptions, it will not, directly or indirectly, without the prior written consent of the Lead Underwriters, which consent shall not be unreasonably withheld or delayed: (i) issue, offer, sell (including without limitation, any short sale), contract or agree to sell, hypothecate, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of or transfer, directly or indirectly, any Common Shares, or any securities convertible into or exchangeable or exercisable for, or warrants or other rights to purchase, the foregoing; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or any other of the Company’s securities that are substantially similar to Common Shares, or any securities convertible into or exchangeable or exercisable for, or any warrants or other rights to purchase, the foregoing, whether any such transaction is to be settled by delivery of Common Shares or such other securities, in cash or otherwise; or (iii) agree to do any of the foregoing or publicly announce any intention to do any of the foregoing (other than the Common Shares offered under the Offering and the Concurrent Private Placement, including upon the exercise of the Over-Allotment Option, and the Common Shares issuable pursuant to its security-based compensation arrangements), for a period of 90 days from the date of Closing.

RELATIONSHIPS AMONG THE COMPANY AND CERTAIN UNDERWRITERS

Each of BMO Nesbitt Burns Inc., Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., TD Securities Inc. and ATB Capital Markets Inc. is, directly or indirectly, an affiliate of a lender to the Company (collectively, the "**Lenders**") pursuant to the Syndicated Credit Facility. In addition, Jim Davidson, a director of the Company, is a director of an affiliate of ATB Capital Markets Inc. Consequently, under applicable Canadian Securities Laws, the Company may be considered a "connected issuer" to such Underwriters.

As at May 25, 2021, $20.0 million was drawn on the Syndicated Credit Facility. The Company is in compliance with all material terms of the agreements governing the Syndicated Credit Facility and has not been in default or otherwise in breach of such agreements since its relevant execution date. See "*Capitalization*".

The decision to sell the Common Shares pursuant to the Offering was made by the Company and the determination of the terms of the Offering, including the Offering Price of such Common Shares, has been determined by negotiation between the Company, on the one hand, and the Underwriters, on the other hand. The Lenders did not have any involvement in such decision or determination; however, the Lenders have been advised of the Offering and the terms thereof. As a consequence of the Offering, each of the Underwriters will receive their respective share of the Underwriters' fee payable by the Company to the Underwriters. In addition, each of the Lenders under the Syndicated Credit Facility may receive a portion of the Topaz's proceeds from the Offering as a repayment of outstanding revolving indebtedness, if any, under the Syndicated Credit Facility.

PRIOR SALES

Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the trading symbol "TPZ". The following table sets forth the closing price range and the aggregate volume of trading of the Common Shares, as reported by the TSX, for the periods indicated since the Common Shares became listed and posted for trading on the TSX on October 20, 2020:

Period (2020)	High ($)	Low ($)	Volume
October	13.59	12.82	9,159,339
November	14.75	13.10	4,620,026
December	14.70	13.42	2,666,870
Period (2021)	**High ($)**	**Low ($)**	**Volume**
January	14.95	13.67	1,362,790
February	15.39	14.33	2,145,590
March	14.77	14.07	4,123,170
April	15.00	14.43	2,572,310
May 1-21	14.80	14.44	5,089,660

Prior Sales

Summary of Equity Financings

The following table summarizes the equity financings completed by the Company since its formation in 2019 as well as Company insider, employee and associate participation in such equity financings.

Summary of Equity Financings

Date	*Financings*		*Insider, Employee and Associate Participation*[(4)]	
	Shares Issued	**Total Gross Proceeds**	**Gross Subscriptions**	**Percentage of Gross Proceeds**
November 14, 2019	20,850,506[(1)]	$208,505,060	$39,433,000	19%
June 29 and July 6, 2020	13,208,296[(2)]	$145,291,256	$64,576,006	44%
October 26, 2020 and November 9, 2020	19,240,650[(3)]	$250,128,450	$16,307,096	6.5%
	53,299,452	**$603,924,766**	**$120,316,102**	**19.9%**

Notes:

(1) Private placement of 20,850,506 Common Shares at a price of $10.00 per Common Share pursuant to the 2019 Equity Financing (as defined in the AIF).

(2) Private placement of 13,208,296 Common Shares at a price of $11.00 per Common Share pursuant to the 2020 Equity Financing (as defined in the AIF).

(3) Initial public offering of 19,240,650 Common Shares at a price of $13.00 per Common Share pursuant to the Initial Public Offering (as defined in the AIF).

(4) Represents percentage of the Company and Tourmaline's insider, employee and associate participation, including shares owned by shareholders represented by directors of the Company, for the total amount raised by the Company, which has been calculated based on the percentage of Common Shares issued to directors, officers, employees and other service providers, including shares owned by shareholders represented by directors of the Company, of the Company and Tourmaline and certain family, friends and business associates of the foregoing relative to the total number of Common Shares issued in each financing.

Summary of Option Issuances

The following table summarizes the option issuances of the Company for the twelve-month period before the date of this short form prospectus.

Option Issuances

Date of Issuance	Number of Options	Exercise Price of Options
April 15, 2020	450,000	$10.00
June 15, 2020	200,000	$11.00
August 15, 2020	200,000	$11.00
December 15, 2020	140,000	$13.87
January 15, 2021	400,000	$14.66

PROMOTER

Tourmaline may be considered a promoter of the Company within the meaning of Canadian Securities Laws. To the knowledge of the Company, as of the date of this short form prospectus, Tourmaline beneficially owns, controls or directs, directly or indirectly, 58,149,494 Common Shares, representing 51.6% of the issued and outstanding Common Shares. Immediately, upon completion of the Offering, Tourmaline will hold 46.6% of the issued and outstanding Common Shares (45.9% if the Over-Allotment Option is exercised in full). See "*Agreements with Tourmaline and Other Counterparties*" in the AIF.

RISK FACTORS

Overview

Investing in the Common Shares involves risks. A prospective investor should carefully consider the following risk factors together with all of the other information included or incorporated by reference in this short form prospectus in evaluating an investment in the Common Shares. Additional risks not presently known to Topaz or that Topaz currently deems immaterial could also materially affect the Company's business. The risks set out below and in the documents incorporated herein by reference are not an exhaustive description of all the risks associated with the Company's business and the oil and natural gas business generally. This short form prospectus includes forward-looking statements regarding, among other things, the Company's plans, strategies, prospects and projections, both business and financial. A prospective investor should not place undue reliance on any such statements included in this short form prospectus or any other offering materials. See "*Notice to Investors – Forward-Looking Statements*" in this short form prospectus.

Even though Topaz does not directly conduct upstream petroleum and natural gas exploration and development operations, its business, financial condition, results of operations and prospects will be significantly impacted by factors and risks that impact the oil and natural gas industry generally, and, in particular, affect the Company's counterparties, including Tourmaline. Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome.

In carrying out its business and operations, Topaz faces a number of risks. Generally, Topaz's risks fall into three principal categories: (i) risks relating to the Company's business, industry and operating environment including financial, legal, regulatory and strategic risks; (ii) risks relating to the Company's relationship with Tourmaline; and (iii) risks relating to the Offering and the Common Shares. These categories are outlined below along with summaries of the specific risk factors within each general category. In some instances, risks may fall into each category. In such cases, the Company has classified risks based on the primary category in terms of how they affect Topaz. To the extent Topaz's business or operations are affected by these risks, there could be an adverse effect on Topaz's financial performance and free cash flow available to pay dividends.

Investors should carefully review and consider all other information contained in this short form prospectus and in the documents incorporated by reference herein before making an investment decision and consult their own professional advisors where necessary.

Forward-Looking Statements and Financial Outlooks May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements or financial outlooks. By their nature, forward-looking statements and financial outlooks involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and/or financial outlooks or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the financial outlooks presented in, or incorporated by reference in, this short form prospectus assumes the completion of the NEBC Montney Acquisition and the Offering and if any of these transactions are not completed or not completed on the terms or timelines contemplated, this will impact the financial outlooks provided herein and such impact may be material. Additional information on the risks, assumptions and uncertainties can be found in this short form prospectus under the heading "*Notice to Investors - Forward-Looking Statements*".

Topaz May Use the Proceeds of the Offering for Purposes Other Than Those Set Out in this Short Form Prospectus

Topaz currently intends to allocate the net proceeds received from the Offering as described under the heading "*Use of Proceeds*" in this short form prospectus. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described under the heading "*Use of Proceeds*" herein if it believes that it would be in the best interests of Topaz to do so if circumstances change. The failure by management to apply these funds effectively could have a material adverse effect on the business of Topaz.

The Company may not complete the Offering

Although the Company 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, in which case the Company may not have sufficient financing to complete the Strategic Acquisitions.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, Chartered Professional Accountants, Suite 3100, 205 5th Avenue SW, Calgary, Alberta T2P 4B9.

The transfer agent and registrar for the Common Shares is Odyssey Trust Company, at its principal offices in Calgary, Alberta and Toronto, Ontario where transfers of securities may be recorded.

EXPERTS

Certain legal matters relating to the Offering under Canadian law will be passed upon by Burnet, Duckworth & Palmer LLP on behalf of the Company and by Torys LLP on behalf of the Underwriters. Certain legal matters relating to the Offering under U.S. law will be passed upon by Dorsey & Whitney LLP on behalf of the Company and by Torys LLP on behalf of the Underwriters. As at the date hereof, the partners and associates of each of Burnet, Duckworth & Palmer LLP, Torys LLP and Dorsey & Whitney LLP, as respective groups, beneficially own, directly or indirectly, less than 1% of the outstanding securities of any associate or affiliate of the Company.

No person or company whose profession or business gives authority to a report, valuation, statement or opinion made by such person or company and who is named in this short form prospectus as having prepared or certified a part of this short form prospectus, or a report, valuation, statement or opinion described in this short form prospectus, has received or shall receive a direct or indirect interest in any securities or other property of the Company or any associate or affiliate of the Company.

As at the date hereof, the principals of each of GLJ Ltd. and Deloitte LLP, independent qualified reserves evaluators to each of the Company and Tourmaline, do not beneficially own, directly or indirectly, any of the outstanding Common Shares.

KPMG LLP are the auditors of the Company and have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

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, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE ISSUER

Dated: May 25, 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 under the securities legislation of each of the provinces of Canada.

(Signed) "*Marty Staples*" President and Chief Executive Officer	(Signed) "*Cheree Stephenson*" Vice President, Finance and Chief Financial Officer

On behalf of the Board of Directors
of Topaz Energy Corp.

(Signed) "*Steve Larke*" Director	(Signed) "*John Gordon*" Director

CERTIFICATE OF THE PROMOTER

Dated: May 25, 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 under the securities legislation of each of the provinces of Canada.

TOURMALINE OIL CORP.

(Signed) "*Michael L. Rose*"

Chairman, President and Chief Executive Officer

CERTIFICATE OF THE UNDERWRITERS

Dated: May 25, 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 under the securities legislation of each of the provinces of Canada.

PETERS & CO. LIMITED	**BMO NESBITT BURNS INC.**
(Signed) "*Callum Moore*"	(Signed) "*Greg Stadnyk*"

SCOTIA CAPITAL INC.

(Signed) "*Roy Arthur*"

NATIONAL BANK FINANCIAL INC.

(Signed) "*Arun Chandrasekaran*"

CIBC WORLD MARKETS INC.	**RBC DOMINION SECURITIES INC.**	**STIFEL NICOLAUS CANADA INC.**	**TD SECURITIES INC.**
(Signed) "*John Peltier*"	(Signed) "*Darrell Law*"	(Signed) "*Nicholas J. Johnson*"	(Signed) "*Kiel Depoe*"

ATB CAPITAL MARKETS INC.

(Signed) "*Brian Heald*"

DESJARDINS SECURITIES INC.

(Signed) "*Kristopher Zack*"

CANACCORD GENUITY CORP.	**IA PRIVATE WEALTH INC.**	**RAYMOND JAMES LTD.**	**TUDOR, PICKERING, HOLT & CO. SECURITIES – CANADA, ULC**
(Signed) "*Andrew Birkby*"	(Signed) "*Trevor Conway*"	(Signed) "*Dion Degrand*"	(Signed) "*Derek Wheatley*"