

*Highwood Asset Management Ltd*

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# Corporate Presentation

May 2022



**HIGHWOOD**  
ASSET MANAGEMENT LTD.

# Corporate Snapshot (TSXV: HAM)

## Corporate/Market Data (\$mm)

Available Bank Line	\$2.0
Current Net Debt – May 31(Est)	\$nil
Market Capitalization (\$11.00/share)	\$66.2
Enterprise Value	\$66.2
Tax Pools <sup>1</sup>	\$7.2
E&P - P+P Reserves <sup>2</sup>	\$32.0
Li Technical Report 43-101	Completed – Q321
Li Inferred Resource Assessment 43-101	Completed – Q122
Ironstone Technical Report 43-101	Completed – Q421

## Share Snapshot (mm) – September 30/21

<b>Common Shares</b>	
Basic Shares Outstanding	6.01
<b>Dilutives (ITM)</b>	
Employee RSUs & Option Grants	0.16
<b>Fully Diluted Shares</b>	<b>6.17</b>

## Core Assets

### WABASCA RIVER PIPELINE

- Stable and diversified cash flow generated from 3rd party volumes
- Predictable, stable cash flows
- Expansion capacity to add \$1mm+ in annual NOI
- \$1MM NOI from conventional E&P assets, mainly 100bbld in SE Saskatchewan

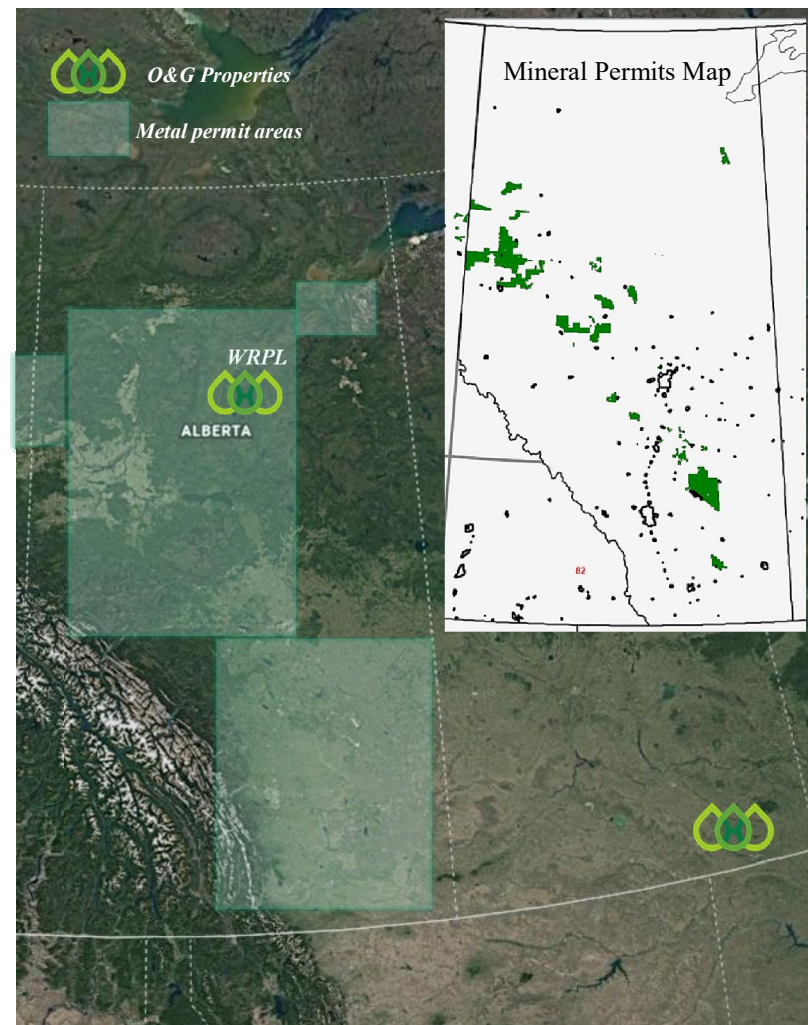
## Emerging Portfolio Assets

### INDUSTRIAL METAL AND MINERAL PERMITS – ALBERTA & BRITISH COLUMBIA

- 3,900,000+ acres of industrial metal and mineral permits
- Completed NI 43-101 technical report and Drumheller inferred resource assessment for Lithium brine (18.14Mt LCE) and 43-101 technical report for Ironstone Fe-V project.

1) Does not include capital losses or successored tax pools. Estimated Dec. 31, 2021 Balance.

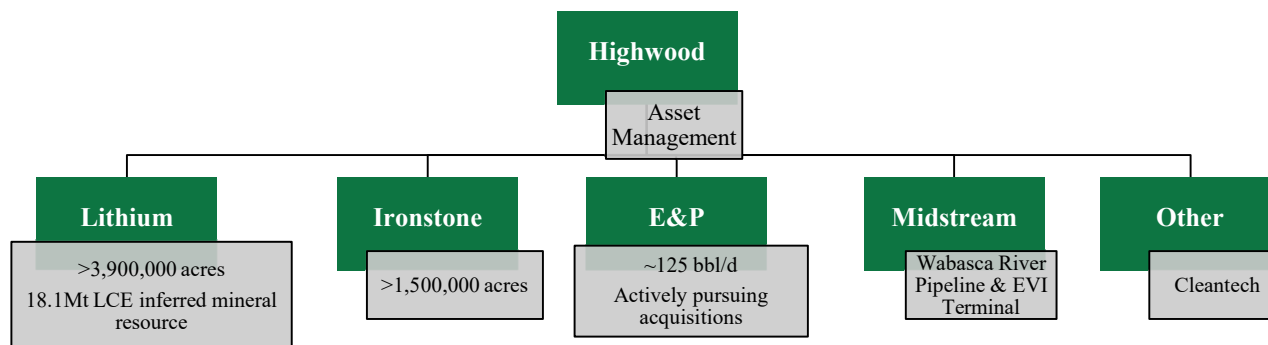
2) YE21 Proved plus Probable 10% before-tax value completed by GLJ Ltd.



## Transition to Asset Management Entity

- While the production of conventional oil & gas reserves remains an area of focus for Highwood, the Board of Directors and Management has followed a directive to pivot Highwood into an asset management entity overseeing various non-conventional mineral, renewable and other energy focused plays.

## Structure



## Focus

### Return Opportunities

- Substantial return opportunities exist within diversified sectors
- Scarce capital, particular for small cap companies drives need to increase scale

### Acquisition Potential

- Significant acquisition opportunities providing visibility to strong capital
- Main acquisition focus is in the E&P and Midstream areas where Highwood is actively pursuing accretive transactions that will bring 5,000-15,000 boed of hydrocarbon production
- E&P Acquisition Targets*
  - Focused on Alberta or Saskatchewan jurisdictions*
  - Debt based evaluation model with sufficient drilling inventory and other development capital to maintain production*

### Technological Advancement

- Technological advancement expected to accelerate timeline of clean energy transition
- Opportunity to invest in technological as well as operational space of clean energy
- Main focus currently is evaluation and development of Lithium-Brine extraction techniques

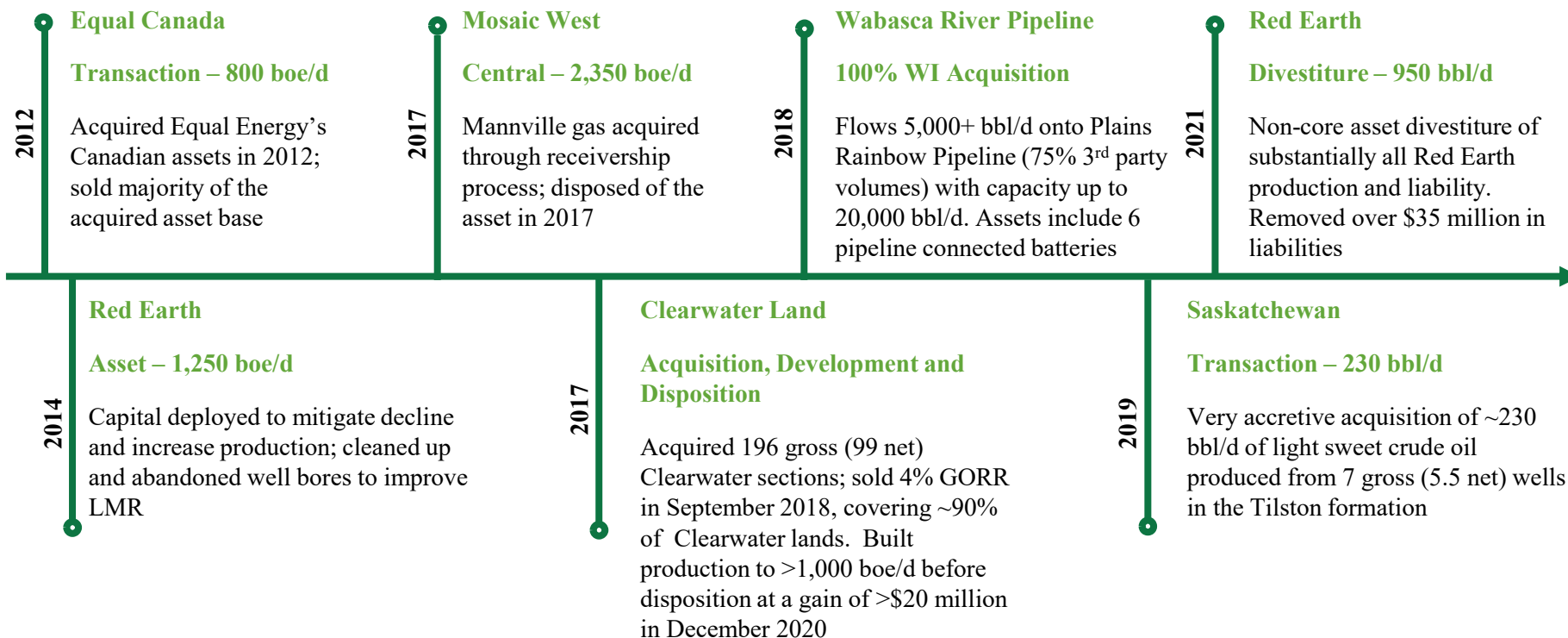
## Shareholder Support & Inside Ownership

- Highwood's majority shareholders owns ~67% of the issued and outstanding common shares and is highly supportive of the growth of Highwood through acquisitions. In addition, the shareholder has been very supportive in the transition to an asset management entity with a diversified structure.

# Highwood Growth Execution History

- Founded in 2012 as a private company
- Completed a reverse take-over of a capital pool company in January 2019, resulting in the entity becoming publicly traded
- The Company has executed several materially accretive acquisitions and highly profitable dispositions since inception in 2012
- Team has provided positive returns to shareholders since inception in Highwood and other midstream and upstream entities

## TIMELINE



## OTHER TRANSACTIONS BY MANAGEMENT TEAM

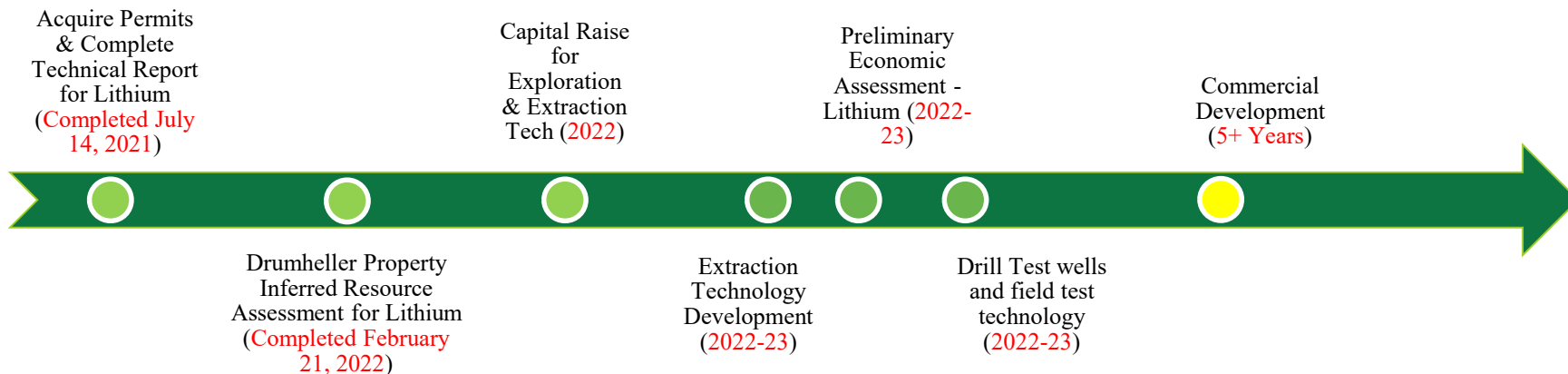
- Predator Midstream Ltd. – from 2012-2014, Predator Midstream developed access to the crude-by-rail market in Alberta and was sold to Secure Energy Services in August 2014 for \$107 million.
- Private BC Company – Management team of a Private BC Company that was formed in 2017, acquiring assets in North East BC for \$6 million. Through several transactions the assets were disposed for gross proceeds of \$42 million and sold the entity in 2019. The Company has gross production of ~10,000boe/d

# Industrial Metal and Mineral Permits

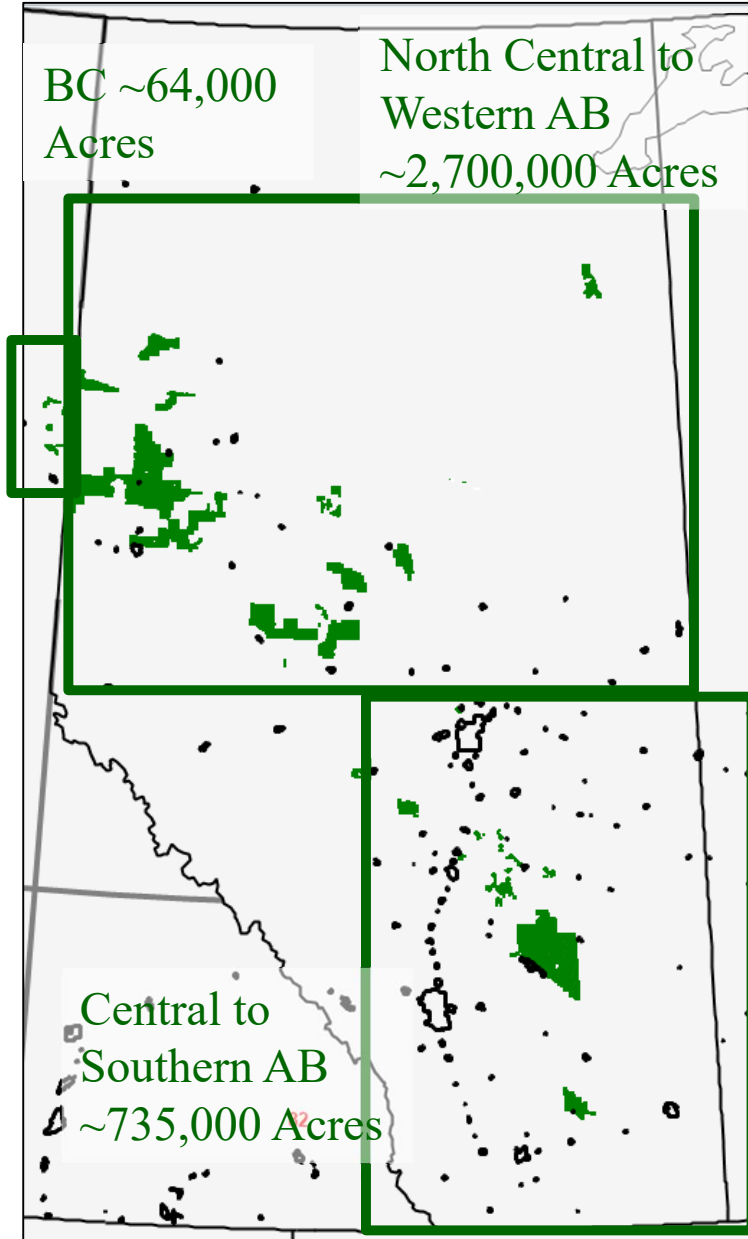
## Lithium

In July of 2021, Highwood announced it planned to transition from a pure oil and gas company to an asset management company. One of the main focuses of the asset management company was to target lithium-brine. As Highwood assesses its lithium Sub-properties, Highwood will continue to evaluate value maximization paths for its lithium-brine assets including a potential public pure play, low carbon intensity lithium company spinout.

- Large Lithium land position permitted in Western Canada targeting lithium-brine concentrations of ~50 mg/L Li
  - Leverage HAM’s operational/geological/engineering/reservoir/process expertise in drilling wells, accessing lithium/brine and handling large volumes of water where high deliverability of brine is critical.
    - Have targeted permits with brine deliverability, proximity to infrastructure and reservoir access - **Complete**
      - Brine quality (mineral concentrations) and process input requirements are key components
      - HAM technical team has extensive oil and gas production and processing experience
      - Plan to hold the key Lithium assets in portfolio for 15+ years to allow continued optionality and evaluation of extraction technologies.
  - 43-101 Technical Report completed in Q321 – outlining the presence of lithium-brine on our greater land positions - **Complete**
  - 43-101 Inferred Resource Assessment of the Drumheller Property completed in early 2022, with a combined total (global) inferred resource of 18.1 million metric tonnes LCE– **Complete**
  - Develop and/or JV/partner with a Direct Lithium Extraction technology. – **Ongoing**
  - Model and evaluate reservoir performance – 2022/23
    - Drill test wells



# Metallic and Industrial Mineral Permits



- ~3,900,000+ Acres of Industrial Metal and Mineral Permits (pending) secured throughout western Canada to date
- Permits identified by proximity to Lithium lead indicators in test wells greater 50 mg/L of Li<sup>+</sup> concentrations - 77 wells meet these minimum thresholds<sup>1,2</sup>
- Iron/Vanadium lands in the Peace River Arch area<sup>1</sup> are secured where surface tests (quarries, test hole, outcrops) have been identified with high concentration of Iron with associated rare earth metals such as Vanadium
- All permits in close proximity to area infrastructure including roads, electricals grid, facilities, pipelines and wells

*\*Note: this is an early exploration project, as of February 14, 2022, HAM has collected and analyzed:*

- 9 Ironstone samples
- 60 Lithium samples

*As disclosed on the following slides, many of the representations made within this presentation are an accumulation of publicly available data from government and third-party sources which have been disclosed throughout.*

1. See “Off Property Statement” Disclaimer following presentation. The Qualified Person (and Issuer) has been unable to verify the information and the information is not necessarily indicative of the mineralization of the property that is the subject of the Issuer’s exploration and analysis.
2. See “Historical Resources” Disclaimer following presentation. The Qualified Person (and Issuer) has not done sufficient work to classify the historical estimate as a current mineral resource and the Company is not treating the historical estimate as a current mineral resource.



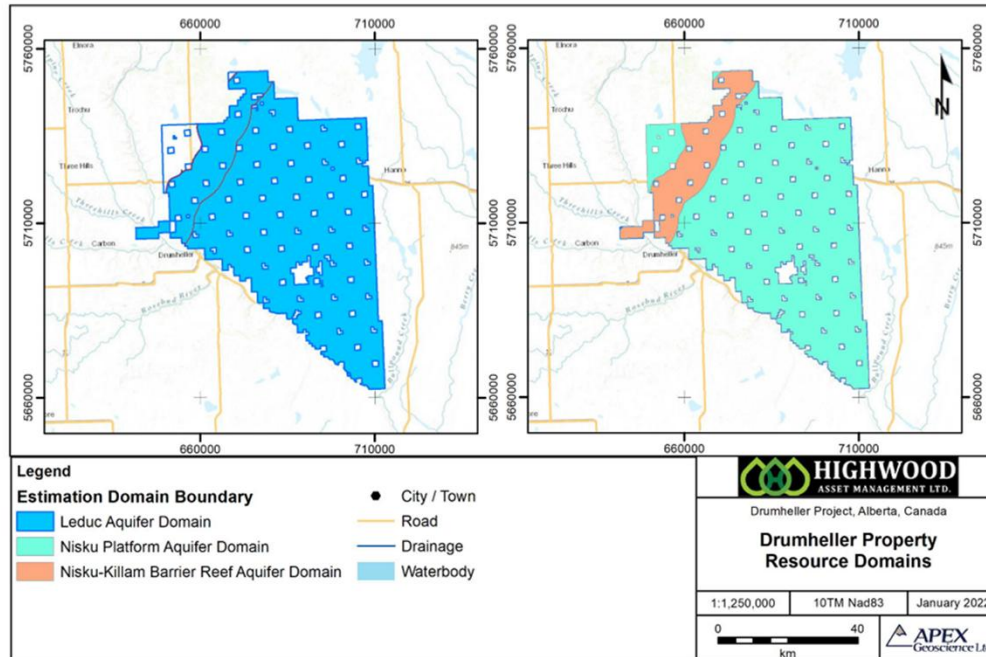
# NI 43-101 Inferred Resource Assessment Summary

## 18.1 Million Metric Tonnes of Lithium Carbonate Equivalent (LCE)



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Reporting parameter	Leduc Aquifer Domain	Nisku Killam Barrier Reef Aquifer Domain	Nisku Platform/Basin Aquifer Domain
Aquifer volume (km <sup>3</sup> )	670.559	23.669	123.323
Brine volume (km <sup>3</sup> )	65.058	1.415	8.218
Average lithium concentration (mg/L)	48.3	41.4	25.2
Average porosity (%)	9.9	6.1	6.8
Average brine in pore space (%)	98.0	98.0	98.0
Total elemental Li resource (tonnes)	3,142,000	59,000	207,000
Total LCE (tonnes)	16,726,000	312,000	1,102,000



Note 1: Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into a mineral reserve. The estimate of mineral resources may be materially affected by geology, environment, permitting, legal, title, taxation, social-political, marketing, or other relevant issues.

Note 2: The weights are reported in metric tonnes (1,000kg or 2,204.6lbs).

Note 3: Tonnage numbers are rounded to nearest 1,000 unit.

Note 4: In a 'confined' aquifer, effective porosity is a proxy for specific yield.

Note 5: The resource estimation was completed and reported using a cutoff of 20mg/L Li.

Note 6: To describe the resource in terms of the industry standard, a conversion factor of 5.323 is used to convert elemental Li to Li<sub>2</sub>CO<sub>3</sub> or Lithium Carbonate Equivalent (LCE).

Lithium prices have risen dramatically in the past year, increasing by more than 300% since mid 2021. This increase is being driven by a tight supply and strong demand for Lithium.

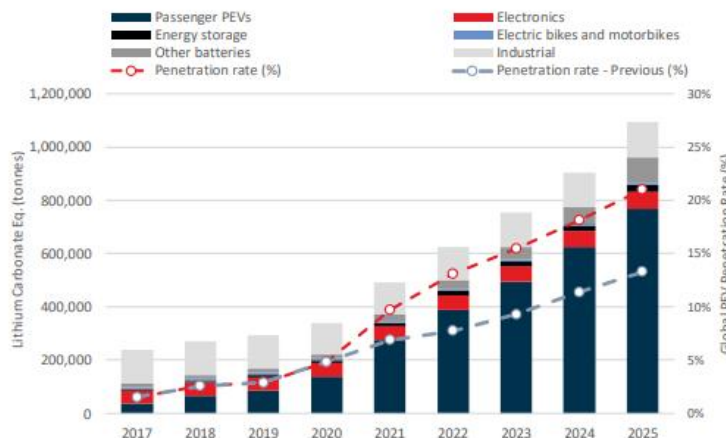
A major increase in the demand for Lithium is driven by the demand for electric vehicles and this demand is expected to continue increasing.

## Price Forecast

		Q4/21A	Spot	2022E	2023E	2024E
Lithium Carbonate min 99.5% (Li <sub>2</sub> CO <sub>3</sub> ) - CIF Asia (US\$/t)	<b>Current</b>	<b>\$25,540</b>	<b>\$39,000</b>	<b>\$25,720</b>	<b>\$25,720</b>	<b>\$20,000</b>
	Previous	\$17,750	\$17,750	\$17,750	\$16,250	\$15,500
	Change	↑	↑	↑	↑	↑
Lithium Carbonate min 99.5% (Li <sub>2</sub> CO <sub>3</sub> ) - EXW China Battery (US\$/t)	<b>Current</b>	<b>\$32,280</b>	<b>\$49,650</b>	<b>\$32,660</b>	<b>\$32,660</b>	<b>\$26,500</b>
	Previous	\$23,000	\$23,000	\$23,000	\$20,580	\$18,000
	Change	↑	↑	↑	↑	↑
Lithium Carbonate (Li <sub>2</sub> CO <sub>3</sub> ) - Global Average (US\$/t)	<b>Current</b>	<b>\$19,970</b>	<b>\$21,500</b>	<b>\$20,500</b>	<b>\$20,500</b>	<b>\$17,500</b>
	Previous	\$12,300	\$12,300	\$12,300	\$11,800	\$11,800
	Change	↑	↑	↑	↑	↑
Lithium Hydroxide min 56.5% (LiOH) - FOB Asia (US\$/t)	<b>Current</b>	<b>\$29,630</b>	<b>\$35,750</b>	<b>\$29,130</b>	<b>\$29,130</b>	<b>\$25,000</b>
	Previous	\$21,250	\$21,250	\$21,250	\$19,750	\$17,000
	Change	↑	↑	↑	↑	↑
Lithium Hydroxide min 56.5% (LiOH) - EXW China (US\$/t)	<b>Current</b>	<b>\$30,860</b>	<b>\$40,590</b>	<b>\$30,570</b>	<b>\$30,570</b>	<b>\$25,000</b>
	Previous	\$22,200	\$22,200	\$22,200	\$20,000	\$19,000
	Change	↑	↑	↑	↑	↑
Spodumene min 6% - FOB China (US\$/t)	<b>Current</b>	<b>\$1,820</b>	<b>\$2,400</b>	<b>\$1,800</b>	<b>\$1,800</b>	<b>\$1,600</b>
	Previous	\$900	\$900	\$900	\$870	\$850
	Change	↑	↑	↑	↑	↑

Source: NBF Estimates, Argus Metals, S&P Global Intelligence, Refinitiv, Bloomberg

Figure 3: Lithium Consumption by Application and Change in PEV Penetration Rates (2020 Base)



Source: S&P Global Market Intelligence, Bloomberg

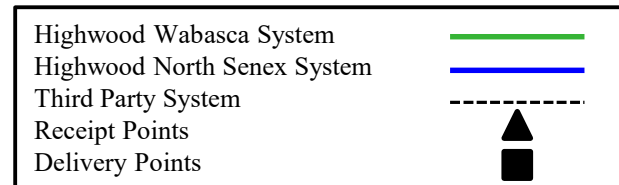
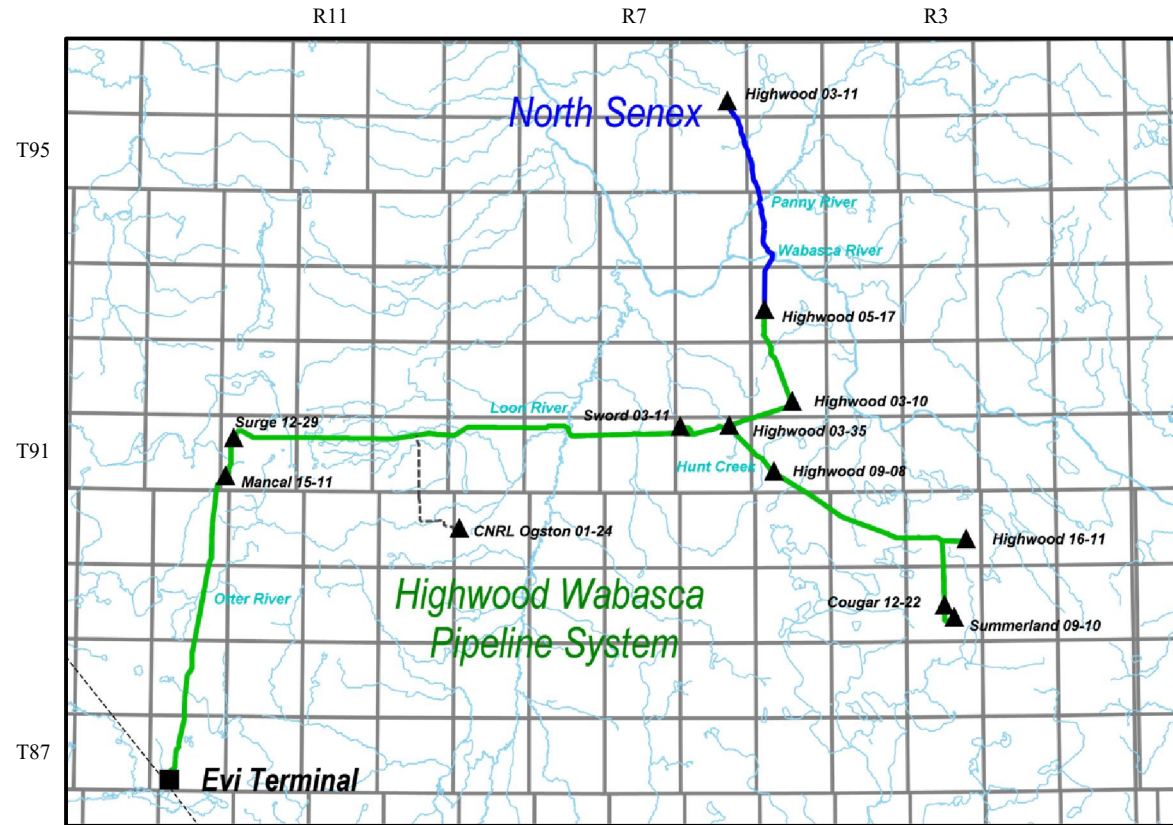
\*\*\*All data on this slide and charts are from National Bank Of Canada Financial Markets Research, Thematic Research, dated January 19, 2022, "Lithium Sector – Year Ahead Thematic"



# Midstream: Wabasca River Pipeline

## PROVIDING A DIVERSIFIED FUNDS FLOW BASE

- Infrastructure provides diversification with ~\$3.0-4.0 million of operating funds flow to HAM being generated per year
  - Since 2012 there has been consistent production flow in the infrastructure
- Highwood operates 210 km of transmission pipeline (incl. 12 transmission lines) constructed in 1987
  - Connects the Senex, Trout, Kidney, Sawn Lake and Evi areas of Alberta
  - Capacity of 20,000 boe/d
  - Capacity > 4x current flow ~5,000 boe/d (average last 8 years)
- Winter access area leaving pipeline only viable mode of oil transportation
- Crude is a conventional light barrel with low sulphur and corrosive properties
- Open access with public tolls (CNRL, Blue Sky, Marlboro and Surge are users of the system)
- Evi terminal soon to be capable of handling trucked-in volumes
  - A modest capital investment at Evi (blending operation) would increase cashflow by another \$1.5-\$2.0mm per year
  - Highwood anticipates reactivating the Evi terminal in Q3 of 2022.



- Optimize existing operations and continue to evaluate organic opportunities
- Continue to evaluate and garner increased information on its lithium-brine properties, evaluate investor support for a potential public pure play, low carbon intensity lithium company spinout.
- Highwood anticipates completing a public raise in the public pure play, low carbon intensity lithium company spinout to fund the capital program listed below and continue to advance the Lithium extraction technology.
- In addition, Highwood intends to focus on:
  - Continue to work with Li-brine extraction technology and process developers in relation to recovery technologies applicable to the Company's potential lithium-brine properties;
  - Anticipated future capital program:
- Continue to evaluate accretive transactions in strong price environment
- Continue to reduce the asset retirement obligations of the Company

# Management, Board of Directors and Partners

Management	Position	Background
<b>Greg Macdonald, P.Eng.</b>	President & CEO, Director	▶ Mr. Macdonald is a Professional Engineer with over 20 years of oil and gas experience in Canada and the U.S.; previously, Mr. Macdonald was the VP, Engineering of Tidewater Midstream & Infrastructure Ltd., a public oil & gas midstream company; prior thereto, Mr. Macdonald worked in various engineering roles at both private and public oil and gas companies
<b>Chris Allchorne, CA</b>	Interim CFO	▶ Mr. Allchorne is a Chartered Accountant with over 10 years of financial and management experience with public and private companies; previously, Mr. Allchorne was the Controller if Highwood Asset Management Ltd., and prior to that Assurance Manager at Collins Barrow Calgary LLP.
<b>Kelly McDonald, P.Geol.</b>	VP, Exploration	▶ Mr. McDonald is a Professional Geologist with over 25 years of oil and gas experience in Canada and the US; previously, Mr. McDonald has been an officer in a number of oil and gas companies over the last 10 years and has been intricately involved in exploration and development of both conventional and unconventional assets across North America

Board Member	Position	Background
<b>Steve Holyoake, P.Eng.</b>	Chairman	▶ Mr. Holyoake is President & CEO, Fireweed Energy, former VP Drilling & Completions Tangle Creek Energy, VP Operations SkyWest Energy Corp and former Manager, Drilling & Completions at Berens Energy Ltd.
<b>Greg Macdonald, P.Eng.</b>	President & CEO, Director	▶ Mr. Macdonald is a Professional Engineer with over 20 years of oil and gas experience in Canada and the U.S.; previously, Mr. Macdonald was the VP, Engineering of Tidewater Midstream & Infrastructure Ltd., a public oil & gas midstream company; prior thereto, Mr. Macdonald worked in various engineering roles at both private and public oil and gas companies
<b>Ryan Mooney, P.Eng, CFA</b>	Director	▶ Mr. Mooney is the Managing Director, Investment Banking for Echelon Capital Markets in Calgary with a focus on origination and execution of capital markets transactions.
<b>Trevor Wong-Chor</b>	Director	▶ Mr. Wong-Chor is a partner in DLA Piper LLP's Calgary office and practices primarily in the areas of securities, mergers & acquisitions, corporate, and oil and gas law

Partner	
<b>Reserve Evaluator</b>	▶ GLJ Petroleum Consultants Ltd.
<b>Bank</b>	▶ National Bank of Canada
<b>Auditor</b>	▶ RSM Alberta LLP

# Advisory Regarding Forward Looking Statements

In the interest of providing readers with information regarding Highwood Asset Management Ltd. (“Highwood”), including management's assessment of Highwood's future plans and operations, this presentation contains certain forward-looking statements and other information (collectively “forward-looking information”) about Highwood’s current expectations, estimates and projections and may include, but are not limited to: the sources of existing production and future development locations, operating and after-tax cash flow netbacks for the Assets; the estimate of annualized fund flows from operations; the expectation that fiscal and regulatory policies in Alberta remain supportive of continued investment; exploration and development capital expenditure expectations; planned testing and technical reports in the mines and minerals space, and development plans and strategic objectives. Forward-looking information in this presentation is identified by words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “forecast”, “target”, “project”, “could”, “focus”, “vision”, “goal”, “proposed”, “scheduled”, “outlook”, “potential”, “may”, “looking forward to”, or similar expressions and includes suggestions of future outcomes, and include, without limitations, statements with respect to Highwood's future focus, plans, operations and strategies, the benefits associated with Highwood's asset base, well economics, drilling and development plans, drilling and exploration costs, capital and operating costs, netbacks, production, capital expenditures and funds flow guidance, infrastructure development plans, and testing results. Statements relating to reserves and resources are also forward-looking statements, as they involve the implied assessment, based on estimates and assumptions that the reserves and resources described exist in the quantities predicted or estimated and can be profitably produced in the future. The forward-looking statements contained in this presentation speak only as of the date of this presentation and are expressly qualified by this cautionary statement.

These forward-looking statements are based on assumptions and are subject to numerous risks and uncertainties, certain of which are beyond Highwood’s control, the impact of general economic conditions, industry conditions, volatility of commodity prices, currency exchange rate fluctuations, imprecision of reserve and resource estimates, environmental risks, industry capacity, geological, technical, drilling and processing problems and other difficulties in producing reserves or resources, disruptions in the transportation networks on which Highwood is reliant, changes in income tax laws, liabilities inherent in oil and natural gas and mining operations, competition for, among other things, capital, undeveloped lands and skilled personnel, risks associated with operations, our reliance on key personnel, changes in royalty rates and incentive programs relating to the oil and gas and mining industries, changes in environmental and other regulations, incorrect assessments of the value of acquisitions and the benefits to be derived therefrom, stock market volatility and ability to access sufficient capital. As a result, Highwood’s actual results, performance or achievement could differ materially from those expressed, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur. In addition, the reader, is cautioned that historical results are not necessarily indicative of future performance. Highwood does not intend, and does not assume any obligation, to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws.

Although Highwood believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because Highwood can give no assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Highwood and described in the forward looking statements or information. These risks and uncertainties include but are not limited to: the ability of management to execute its business plan; the risks of the oil and gas and mining industries, both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and other resources and market demand; risks and uncertainties involving geology of oil and natural gas and mining deposits; risks inherent in Highwood's marketing operations, including credit risk; the uncertainty of reserves estimates and reserves life; the uncertainty of estimates and projections relating to production, costs and expenses; exploration or development projects or capital expenditures; Highwood's ability to enter into or renew leases or permits; fluctuations in commodity prices, foreign currency exchange rates and interest rates; health, safety and environmental risks; uncertainties as to the availability and cost of financing; the ability of Highwood to add production, reserves and resources through development and exploration activities; general economic and business conditions; the possibility that government policies or laws may change or governmental approvals may be delayed or withheld; uncertainty in amounts and timing of royalty payments; risks associated with existing and potential future law suits and regulatory actions against Highwood; and other risks and uncertainties described elsewhere in this document or in Highwood's other filings with Canadian securities regulatory authorities.

The forward-looking statements or information contained in this document are made as of the date hereof and Highwood undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

# Other Advisory Regarding Forward Looking Statements

Certain information set out herein may be considered as “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Highwood’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

## Oil and Gas Measures

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

## Non-GAAP Measures

The flowing definitions do not have a standardized meaning prescribed by Canadian generally accepted accounting principles (“GAAP”) and therefore may not be comparable with the calculation of similar measures by other companies. “Net debt” is calculated as total debt less current assets plus current liabilities (excluding any amounts included in total debt), and includes transaction costs and the completed debt and equity financings. Total debt is calculated as long-term debt, long-term debt due within one year and short-term debt. “Operating funds flow” is calculated as revenues net of royalties, less transportation and processing charges and operating expenses less capital expenditures.

## Disclaimers

### 1. Off Property Statement

This information occurs off the HAM properties. The issuer and QP have not verified the information and therefore the information is not necessarily indicative of the geology or mineral potential of the property.

### 2. Historical Resources

This is a historical resource that was conducted by a company other than HAM. The historical Resource occurs either off the property or included both on and off the property areas. See Disclaimer 1 (Off Property Statement). The issuer and the QP have not done sufficient work to classify the resource and are not treating the resource as a current resource.