



HIGHWOOD OIL COMPANY LTD. ANNOUNCES NAME CHANGE TO HIGHWOOD ASSET MANAGEMENT LTD., AMENDMENT TO CREDIT FACILITY AND FILING OF NI 43-101 TECHNICAL REPORT ON WESTERN CANADA LITHIUM BRINE PROJECT

NOT FOR DISSEMINATION IN THE U.S. OR THROUGH U.S. NEWSWIRE

Calgary, Alberta, July 16 2021

Highwood Oil Company Ltd. (TSXV:HOCL) (“Highwood” or the “Company”) is pleased to announce that it is changing its name to Highwood Asset Management Ltd. (the “Name Change”).

Name Change

To better reflect the Company’s diversified asset base and potential future opportunities, the Company found it suitable to rename itself Highwood Asset Management Ltd. The Name Change was unanimously approved by the Company’s shareholders at the June 17, 2021 Annual General Meeting.

The Name Change is amongst the first steps in the Company transitioning into an asset management entity overseeing various operations including clean energy transition subsectors with a focus on ESG. These subsectors may include industrial metals and minerals (Lithium, Iron, Rare Earth Elements, Vanadium, Silica, Alumina etc), clean energy technologies, upstream and midstream oil & gas production & processing, and potentially other business ventures.

Given its clean balance sheet which provides considerable financial and operational flexibility, the Company expects that it will be able to complete several accretive acquisitions to catalyze material organic growth in 2021. The Company is currently engaged in several encouraging dialogues regarding various acquisitions and partnership opportunities. Global optimism around mitigating COVID-19 and restoring previous economic and industrial activities has created positive market and investment sentiment both within and outside oil & gas space.

The Company’s stock ticker on the TSX Venture Exchange will be changed to HAM. Shareholders do not need to take any action in connection with the Name Change as the transfer agent will reflect the change on a push out basis. The Company anticipates the Name Change being effective July 20, 2021.

Update to Credit Facility

The Company’s credit facility is being renewed by its lender to \$2 million, reducing to \$1 million at December 31, 2021. The updated facility is expected to be effective July 30, 2021 with the Company’s next credit review being set for November 30, 2021.

NI 43-101 Technical Report

Highwood commissioned APEX Geoscience Ltd. (“APEX”) to prepare a National Instrument 43-101 (“NI 43-101”) Technical Report dated July 14, 2021 as a geological introduction to its lithium brine properties (the “Project”) held across Alberta and northeast British Columbia (the “Technical Report”). The Technical Report for the Project is available on SEDAR (www.sedar.com) and on the Company’s website.

Summary of the Project and the Technical Report:

The Project is comprised of 155 Alberta and British Columbia mineral permits/titles encompassing 942,575 hectares or 2,329,154 acres (the “Permits”). Individual groupings of the permits form 28 non-contiguous properties that are spread throughout the Alberta and northeast British Columbia portions of the Western Canadian Sedimentary Basin (the “Sub-properties”).

The Sub-properties represent an early-stage exploration project in which Highwood is investigating stratigraphically deep (i.e > 2,000m below surface) Devonian to Precambrian-aged brine reservoirs, or aquifers, for their lithium-brine (“Li-brine”) potential. The purpose of the Technical Report is to:

1. Provide a geological introduction to Highwood’s Permits;
2. Summarize historical oil and gas infrastructure that can enable Highwood to access the brine as a waste product from existing petro-operations;
3. Summarize historical Li-brine studies applicable to the Permits;
4. Document 2021 brine sampling exploration work conducted by Highwood; and
5. Make work recommendations for future Li-brine studies.

The Permits areas were acquired for their deep, confined aquifer Li-brine potential. The Li-brine is accessible at the earth’s surface via active petro-operations. Devonian and older brine aquifers have been historically documented to contain anomalous concentrations of lithium and Highwood conducted a 2021 brine sampling program to validate the historical information. Current treatment of the brine from oil & gas wells is essentially that of a wastewater where the water is re-injected back down into the subsurface formation after being separated from the hydrocarbons. Hence the wastewater brine cycle presents a unique opportunity to develop a potential co-product. Certain non-commercial water processing procedures have shown the ability to extract lithium from the Li-brine, however at this stage there is no guarantee that lithium can be extracted economically with current technology.

During March-May 2021, Highwood has collected a total of 54 brine samples at 5 of its 28 Sub-properties in southern and west-central Alberta. The sampling program tested Devonian and older aquifers, and the sample stream included sample duplicates and QA-QC sample blanks/standards. The brine samples were collected and analyzed by independent and accredited laboratories with petrochemical experience.

To date, and of 5 tested sub-properties, the Drumheller Sub-property has yielded the highest lithium content values of 37.0-52.6 mg/L Li within the Nisku and Leduc formations brine aquifer. Other formations sampled by Highwood at Sub-properties in west-central Alberta yielded lower lithium values including the Gilwood Formation (13.5-28.2 mg/L Li) and Beaverhill Lake Group (19.7-24.8 mg/L Li). In addition to Highwood’s 2021 brine assay program, the Company collected two 20-litre

brine samples from the Drumheller Sub-Property for initial mineral processing test work to explore the recoverability of lithium from the brine, the results of which, are not yet available.

Upon completion of the Technical Report, Highwood intends to shift its focus to:

- Engage APEX to assess a Mineral Resource at their Drumheller, Alberta Sub-property;
- 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;
- Continue sampling for lithium concentrations within Highwood's permitted areas; and
- Develop a reservoir/aquifer model using existing publicly available oil & gas information as part of a mineral resource assessment for the Drumheller Sub-property.

Highwood has also engaged APEX to complete a NI 43-101 introductory Technical Report introducing the Company's interest in assessing Cretaceous ironstone metal potential associated with its Permits in northwestern Alberta including potential Iron, Vanadium, Alumina, Scandium and Rare Earth Elements. Highwood anticipates completing this report later in Q3 2021.

As Highwood continues to evaluate and garner increased information on its lithium Sub-properties, Highwood will continue to evaluate investor support for a potential public pure play, low carbon intensity lithium company spinout.

Qualified Person:

D. Roy Eccles, M.Sc, P. Geol., of APEX Geoscience Ltd. is an independent Qualified Person pursuant to National Instrument 43-101 and has reviewed and verified the scientific and technical information disclosed in this news release.

FURTHER INFORMATION

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" or "FLI" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about the Company's next steps which include resource assessment, continued exploration and development work, including in respect of the potential extraction technology, continued sampling and developing a reservoir model, the completion and timing for the Cretaceous ironstone NI 43-101 Technical Report, and the evaluation and potential spinout of a pure play lithium company, as well as the specific assumptions used to develop such FLI and the specific risk factors.

In connection with the forward-looking information contained in this news release, Highwood has made numerous assumptions, regarding, among other things: the geological, metallurgical, engineering, financial and economic advice that Highwood has received is reliable and is based upon practices and methodologies which are consistent with industry standards. While Highwood considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

Additionally, there are known and unknown risk factors which could cause Highwood's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the Li-brine resource assessment may not be completed as planned or at all, the exploration and continued sampling may exceed the budget; continued sampling and the reservoir model may not achieve the results expected; investor support for a pure play lithium public spinout; the need to obtain additional financing; uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.

A more complete discussion of the risks and uncertainties facing Highwood is disclosed in Highwood's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Highwood disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.